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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

MILESTONE ENTERTAINMENT,
LLC,

Plaintiff,

v.

ACTIVISION BLIZZARD, INC.,

Defendant.

Case No. 2:24-cv-04056

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Milestone Entertainment, LLC. (“Milestone”) (“Plaintiff”), by and
2 through its attorneys, files this Complaint for Patent Infringement against Defendant
3 Activision Blizzard, Inc. (“Activision Blizzard” or “Defendant”) and allege as follows:

4 **I. NATURE OF THE ACTION**

5 1. This is an action for patent infringement of U.S. Patent Nos. 8,529,336 (the
6 “336 Patent”), 11,335,164 (the “164 Patent”), 11,393,279 (the “279 Patent”), 10,650,635
7 (the “635 Patent”), 11,501,607 (the “607 Patent”), and 10,825,294 (the “294 Patent”),
8 (collectively, the “Asserted Patents”). This action arises under the patent laws of the
9 United States, Title 35, United States Code, including 35 U.S.C. § 271.

10 **II. THE PARTIES**

11 2. Plaintiff Milestone is incorporated under the laws of Delaware with its
12 principal place of business at 1012 N. Roxbury Dr, Beverly Hills, California 90210, in
13 the Central District of California.

14 3. Randall “Randy” Katz, one of the named inventors of the patents asserted
15 in this lawsuit, and the founder of Milestone, is a pioneer in the field of computerized
16 gaming. Prior to founding Milestone, Mr. Katz held several key positions in the
17 entertainment industry at Sony Pictures Columbia Tri-Star Television and at legendary
18 game show producer, Mark Goodson Productions. At Sony, Mr. Katz established and
19 was president of a new division at Sony’s Columbia TriStar Television Group devoted
20 to developing lottery game shows and interactive games around the world. He worked
21 closely with Sony’s Game Show Network and Sony’s Digital Media division who were
22 responsible for creating new games and uses from famous games like Jeopardy! and
23 Wheel of Fortune.

24 4. Mr. Katz developed an expertise in how to structure games of chance,
25 games of skill, and combinations of both into engaging and entertaining games that
26 would be popular with the public on every type of screen. And when he was diagnosed
27 with lymphoma in March 2003, he spent his time stuck in treatment envisioning the
28 future of this industry and how they could be improved in the context of widespread

1 networks or internet connectivity. While these features described in the Asserted Patents
2 are commonplace today and drive the widespread use and enjoyment of casual gaming
3 on computing devices that has become a multi-billion dollar industry, they were
4 anything but common in 2003 when conceived of by Mr. Katz. Consumer Broadband
5 Internet access was in the early stages of deployment, and the launch of Apple's iPhone
6 and high-speed mobile data services were several years away.

7 5. Mr. Katz envisioned networked games—of chance, of skill, and
8 combinations of both—that can comply with the requisite parameters outlined by the
9 game manufacturer, publisher, or regulator, and that also work in such a way that the
10 structure and prizing of each game is also dynamically altered based on analyzed game
11 play (such as the amount of time played, wins, losses, or other factors). Mr. Katz also
12 envisioned the now-ubiquitous “virtual currency” systems that induce players to
13 continue gameplay, by making game advancement possible through microtransactions
14 or game bonuses. And Mr. Katz envisioned other game features that are also now
15 commonplace in today's casual games, including imposing geographic, age, and time
16 limits on game play, and establishing networked leaderboards and player groupings.

17 6. Defendant Activision Blizzard, Inc. (“Activision Blizzard”) is a corporation
18 organized and existing under the laws of the State of Delaware, with its principal place
19 of business located at 2701 Olympic Boulevard, Building B, Santa Monica, California
20 90404 in the Central District of California. Since October 13, 2023, Activision Blizzard
21 is a wholly-owned subsidiary of Microsoft Corporation.

22 7. Activision Blizzard makes, uses, sells, offers to sell, exports, and/or imports
23 in the United States products, services, and components that have been and are used to
24 infringe one or more claims of the Asserted Patents.

25 **III. JURISDICTION AND VENUE**

26 8. Plaintiffs incorporate the foregoing paragraphs of the Complaint by
27 reference as if fully set for herein.

28 9. This civil action for patent infringement arises under the patent laws of the

1 United States, 35 U.S.C § 1 *et seq.*, including in particular under 35 U.S.C. § 271. This
 2 Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

3 10. This Court has personal jurisdiction over Defendant, and venue is proper in
 4 this district pursuant to 28 U.S.C. § 1400(b), because Activision Blizzard has its
 5 principal place of business in, and resides in this district, and/or because Activision
 6 Blizzard has committed acts of infringement and has a regular and established place of
 7 business in this district.

8 **IV. THE ASSERTED PATENTS**

9 11. On September 10, 2013, the United States Patent and Trademark Office
 10 duly and legally issued U.S. Patent No. 8,529,336 (the “336 Patent”), entitled
 11 “Apparatus, systems, and methods for implementing enhanced gaming and prizing
 12 parameters in an electronic environment,” to Randall M. Katz and Gary Dawson. A copy
 13 of the 336 Patent is attached to the Complaint as Exhibit A.

14 12. Milestone is the owner of all right, title, and interest in and to the 336
 15 Patent.

16 13. The 336 Patent is directed to methods of dynamically altering computerized
 17 game play by altering the game structure or prizing parameters based on analysis of
 18 game play by the computer system. Specifically, the claims recite games that feature a
 19 set of “mandated parameters” – a set of game objectives, such as win probability or rate,
 20 an amount of time played (engagement), overall prizing payout, or other metric the game
 21 designer seeks to achieve. *See, e.g.*, Ex. A (336 Patent), Claim 1. User game play is
 22 tracked and analyzed, and on that basis, the game varies a set of game parameters (recited
 23 as “variable parameters”), such as the structure of the game (e.g., its difficulty, or game
 24 pieces provided) or its prizing, in order to achieve the mandated parameters. *Id.*

25 14. The elements claimed by the 336 Patent, taken alone or in combination,
 26 were not well-understood, routine or conventional to one of ordinary skill in the art at
 27 the time of the invention. Rather, the 336 Patent claims and teaches, *inter alia*, an
 28 unconventional way to use a computer to dynamically alter the structure of networked

1 games, or their prizing, based on analysis of game play conditions. As the specification
2 explains, this capability to analyze game play and programmatically alter the structure
3 of the game solves a known problem in the field of computerized gaming – how to obtain
4 a “higher level of audience interest and potential participation” while maintaining a set
5 of game objectives, such as win probability, or overall prizing payout, that favors the
6 house. 336 Patent, 13:63-65.

7 15. The written description of the 336 Patent describes, in technical detail, each
8 of the limitations in the claims, allowing a person of skill in the art to understand what
9 those limitations cover, and therefore what was claimed, and also understand how the
10 non-conventional and non-generic ordered combination of the elements of the claims
11 differ markedly from what had been performed in the industry prior to the inventions of
12 the 336 Patent. As the 336 Patent specification explains, “[e]xemplary mandated
13 parameters may consist of prize pay out and win rates, and may include such factors as
14 the minimum payout amount, the maximum payout amount, a defined percentage
15 payout, the number of prizes, and/or the form of prizes. Within the system, the mandated
16 parameters are generally input to the system, and preferably stored in memory within
17 the system. Having received the mandated parameters, the system processor then selects
18 among dependent variable parameters to implement game play and prizing in a way that
19 achieve the mandated parameters. . . . Within these systems and methods, greater
20 flexibility is achieved with regard to the play on a particular individual event, while
21 achieving the mandated parameters for the game as a whole.” *Id.* at 5:7-64. “For a given
22 game, there are numerous parameters, including the number of levels in a game, the
23 decision points within the game and desired duration of the play experience. The play
24 experience may be varied such as by awarding extended game play, providing free play
25 awards, advancing a player one or more levels based upon game play and/or the
26 provision of complex decisions. The game play experience may be varied by changing
27 the play probabilities. In one implementation, game play experience may utilize real
28 world probabilities for the game play portion of the experience, but utilize other

1 probabilities for the prizing portion of the overall game. By way of example, a simple
2 probability game such a coin toss should emulate a 50/50 outcome experience as far as
3 game play goes, but may be subject to a second prizing phase in which the mandated
4 parameters can be achieved. For example, a prize board may be utilized to reduce the
5 prizing payout to conform to the mandated parameters. Thus, the game play experience
6 can feel as if the real world probabilities are being achieved, but the lower prizing payout
7 be implemented as required by the mandated parameters. The player's win/lose
8 experience may also be varied. For example, if the player must lose a individual game,
9 the system may elect to give the user a loss, but one in which they appear to have come
10 'close' to winning a prize." *Id.* at 15:63-16:19.

11 16. The claims of the 336 Patent thereby describe a technological solution to
12 the problems of how to generate "higher level of audience interest and potential
13 participation" while maintaining a set of game objectives, such as win probability, or
14 overall prizing payout, that favors the house. For example, Claim 1 of the 336 Patent
15 recites "receiving mandated parameters, the mandated parameters being those which
16 must be achieved by the system as a whole", "a processing system coupled to the
17 memory for implementing the mandated parameters by utilizing variable parameters, the
18 processing system utilizing the variable parameters to achieve the mandated
19 parameters," "performing game analytics on the game play events," and "varying the
20 displays presented to the user to achieve the mandated parameters." *Id.* at Claim 1. None
21 of these elements, taken alone or in combination, were well-understood, routine, or
22 conventional to one of ordinary skill in the art at the time of the invention.

23 17. The systems and methods covered by the asserted claims, therefore, differ
24 markedly from the prior systems in use at the time of this invention, which, *inter alia*,
25 lacked these features. By enabling dynamic modifications to the gameplay experience
26 based on analysis of game play, the claims are directed to a specific, unconventional
27 improvement to the way gaming computers operate.

28 18. Dependent claims of the 336 Patent are further directed to specific,

1 unconventional improvements to the way gaming computers operate. For example,
2 Claims 12, 13, and 20 are directed to enabling cooperative or competitive play between
3 “multiple users” in the context of dynamic modifications to game play, including leader
4 boards. Claims 18 and 19 are directed to user registration. Claim 42 is directed to
5 limiting game play to specific geographic regions. None of these elements, taken alone
6 or in combination, were well-understood, routine, or conventional to one of ordinary
7 skill in the art at the time of the invention.

8 19. On May 17, 2022, the United States Patent and Trademark Office duly and
9 legally issued U.S. Patent No. 11,335,164 (the “164 Patent”), entitled “Systems for
10 implementing enhanced gaming and prizing parameters in an electronic environment,”
11 to Randall M. Katz and Gary Dawson. A copy of the 164 Patent is attached to the
12 Complaint as Exhibit B.

13 20. Milestone is the owner of all right, title, and interest in and to the 164
14 Patent.

15 21. The 164 Patent is directed to methods of dynamically altering computerized
16 game play by altering the game structure or prizing parameters based on analysis of
17 game play by the computer system, and to the use of virtual currency obtained either
18 through cash purchase or game play. Specifically, the claims recite games that feature
19 a set of “mandated parameters” – a set of game objectives, such as win probability or
20 rate, an amount of time played (engagement), overall prizing payout, or other metric the
21 game designer seeks to achieve. *See, e.g.*, Ex. B (164 Patent), Claim 1. User game play
22 is tracked and analyzed, and on that basis, the game varies a set of game parameters
23 (recited as “variable parameters”), such as the structure of the game (e.g., its difficulty,
24 or game pieces provided) or its prizing, in order to achieve the mandated parameters. *Id.*
25 In addition, the game play includes “game play with virtual money (vCoins)”, which can
26 be acquired through cash purchase that is “subject to a multiplier” depending, for
27 example, on the amount of real money spent. *Id.*

28 22. The elements claimed by the 164 Patent, taken alone or in combination,

1 were not well-understood, routine or conventional to one of ordinary skill in the art at
2 the time of the invention. Rather, the 164 Patent claims and teaches, *inter alia*, an
3 unconventional way to use a computer to dynamically alter the structure of networked
4 games, or their prizing, based on analysis of game play conditions, and to provide virtual
5 cash that is subject to a multiplier. As the specification explains, this capability to
6 analyze game play and programmatically alter the structure of the game solves a known
7 problem in the field of computerized gaming – how to obtain a “higher level of audience
8 interest and potential participation” while maintaining a set of game objectives, such as
9 win probability, or overall prizing payout, that favors the house. 164 Patent, 14:56-58.
10 As the specification explains, this varying multiplier for virtual currency similarly
11 provides a particular solution to a specific problem in computerized gaming – that of
12 maintaining player interest, either given other entertainment possibilities or the difficulty
13 of the game: “Enhanced multipliers may be used to induce play at times when other
14 entertainment is available, e.g., sweeps weeks or prime time, as an inducement for the
15 player to play the subject games. The multiplier may change for different games, such
16 as where the multiplier increases where the real or perceived level of skill required is
17 greater.” 164 Patent, 46:24-29.

18 23. The written description of the 164 Patent describes, in technical detail, each
19 of the limitations in the claims, allowing a person of skill in the art to understand what
20 those limitations cover, and therefore what was claimed, and also understand how the
21 non-conventional and non-generic ordered combination of the elements of the claims
22 differ markedly from what had been performed in the industry prior to the inventions of
23 the 164 Patent. As the 164 Patent specification explains, “[e]xemplary mandated
24 parameters may consist of prize pay out and win rates, and may include such factors as
25 the minimum payout amount, the maximum payout amount, a defined percentage
26 payout, the number of prizes, and/or the form of prizes. Within the system, the mandated
27 parameters are generally inputted to the system, and preferably stored in memory within
28 the system. Having received the mandated parameters, the system processor then selects

1 among dependent variable parameters to implement game play and prizing in a way that
 2 achieve the mandated parameters. . . . Within these systems and methods, greater
 3 flexibility is achieved with regard to the play on a particular individual event, while
 4 achieving the mandated parameters for the game as a whole.” *Id.* at 5:30-6:23. “For a
 5 given game, there are numerous parameters, including the number of levels in a game,
 6 the decision points within the game and desired duration of the play experience. The
 7 play experience may be varied such as by awarding extended game play, providing free
 8 play awards, advancing a player one or more levels based upon game play and/or the
 9 provision of complex decisions. The game play experience may be varied by changing
 10 the play probabilities. In one implementation, game play experience may utilize real
 11 world probabilities for the game play portion of the experience, but utilize other
 12 probabilities for the prizing portion of the overall game. By way of example, a simple
 13 probability game such a coin toss should emulate a 50/50 outcome experience as far as
 14 game play goes, but may be subject to a second prizing phase in which the mandated
 15 parameters can be achieved. For example, a prize board may be utilized to reduce the
 16 prizing payout to conform to the mandated parameters. Thus, the game play experience
 17 can feel as if the real world probabilities are being achieved, but the lower prizing payout
 18 be implemented as required by the mandated parameters. The player's win/lose
 19 experience may also be varied. For example, if the player must lose an individual game,
 20 the system may elect to give the user a loss, but one in which they appear to have come
 21 ‘close’ to winning a prize.” *Id.* at 16:60-17:17.

22 24. As the 164 Patent specification further explains, a “vCoin will typically be
 23 a multiplier times the corresponding numeric monetary value, e.g. one dollar equals 500
 24 vCoins. The multiplier is typically an integer number, and is usually an amount of 100,
 25 500 or 1000, though any amount may be used. The multiplier may be fixed over time
 26 and over games, or it may vary based on factors, such as time, game or player status. For
 27 example, play during certain times may result in ‘double vCoins’. Enhanced multipliers
 28 may be used to induce play at times when other entertainment is available, e.g., sweeps

1 weeks or prime time, as an inducement for the player to play the subject games. The
 2 multiplier may change for different games, such as where the multiplier increases where
 3 the real or perceived level of skill required is greater. . . .The vCoins may be traded for
 4 cash or other forms of games, prizes or non-cash goods or services. They may be traded
 5 into other forms either continuously (e.g., 956 vCoins may be redeemed for \$9.56) or
 6 may be redeemed in quantized or discrete amounts, e.g., vCoins may only be redeemed
 7 in groups of 1,000, corresponding to \$10. . . .vCoins provide the player with the
 8 perception of a big win since the numbers are larger than any corresponding monetary
 9 amount. Additionally, by being virtual and corresponding to electronic amounts, they
 10 may be altered or varied as desired. By being able to track specific coins, the vCoins
 11 technique leads to vastly expanded possibilities such as these.” *Id.* at 46:16-47:3.

12 25. The claims of the 164 Patent thereby describe a technological solution to
 13 the problems of how to generate “higher level of audience interest and potential
 14 participation” while maintaining a set of game objectives, such as win probability, or
 15 overall prizing payout, that favors the house. For example, Claim 1 of the 164 Patent
 16 recites “mandated and variable parameters for use in the course of game play, wherein
 17 the mandated parameters represent parameters which must be achieved by the system as
 18 a whole, and the variable parameters represent parameters characterizing at least one of:
 19 a game structure and a prizing structure,” “a decision engine for performing game
 20 analytics on the game play,” “implementing a first set of variable parameters to provide
 21 a first game play experience, and modifying the variable parameters to provide a second
 22 set of variable parameters providing a second game play experience, where the first
 23 game play experience differs from the second game play experience,” “game play with
 24 virtual money (vCoins), the virtual money (vCoins) being acquired in response to a
 25 purchase utilizing the payment information of the users,” and “the virtual money
 26 (vCoins) acquired in response to a purchase being subject to a multiplier.” *Id.* at Claim
 27 1. None of these elements, taken alone or in combination, were well-understood, routine,
 28 or conventional to one of ordinary skill in the art at the time of the invention.

1 26. The systems covered by the asserted claims, therefore, differ markedly
2 from the prior systems in use at the time of this invention, which, inter alia, lacked these
3 features. By enabling dynamic modifications to the gameplay experience based on
4 analysis of game play, and the use of variable virtual currencies, the claims are directed
5 to a specific, unconventional improvement to the way gaming computers operate.

6 27. Dependent claims of the 164 Patent are further directed to specific,
7 unconventional improvements to the way gaming computers operate. For example,
8 Claims 2, 3, and 4 are directed to user registration and player tracking. Claims 5-15 are
9 directed to modifying game play parameters on the basis of “a threshold value to change
10 from the first game play experience to the second game play experience” including
11 specific game play experiences, including frequency of play, amount of money spent,
12 the number of game plays since a last win. Claims 17, 26, and 27 are directed to limiting
13 game play, including to specific geographic regions and based on time. None of these
14 elements, taken alone or in combination, were well-understood, routine, or conventional
15 to one of ordinary skill in the art at the time of the invention.

16 28. On July 19, 2022, the United States Patent and Trademark Office duly and
17 legally issued U.S. Patent No. 11,393,279 (the “279 Patent”), entitled “System for
18 implementing enhanced gaming and prizing parameters in an electronic environment,”
19 to Randall M. Katz and Gary Dawson. A copy of the 279 Patent is attached to the
20 Complaint as Exhibit C.

21 29. Milestone is the owner of all right, title, and interest in and to the 279
22 Patent.

23 30. The 279 Patent is directed to methods of dynamically altering computerized
24 game play by altering the game structure or prizing parameters based on analysis of
25 game play by the computer system. Specifically, the claims recite games that feature a
26 set of “mandated parameters” – a set of game objectives, such as win probability or rate,
27 an amount of time played (engagement), overall prizing payout, or other metric the game
28 designer seeks to achieve. *See, e.g.,* Ex. C (279 Patent), Claim 1. User game play is

1 tracked and analyzed, and on that basis, the game varies a set of game parameters (recited
2 as “variable parameters”), such as the structure of the game (e.g., its difficulty, or game
3 pieces provided) or its prizing, in order to achieve the mandated parameters. *Id.*

4 31. The elements claimed by the 279 Patent, taken alone or in combination,
5 were not well-understood, routine or conventional to one of ordinary skill in the art at
6 the time of the invention. Rather, the 279 Patent claims and teaches, *inter alia*, an
7 unconventional way to use a computer to dynamically alter the structure of networked
8 games, or their prizing, based on analysis of game play conditions. As the specification
9 explains, this capability to analyze game play and programmatically alter the structure
10 of the game solves a known problem in the field of computerized gaming – how to obtain
11 a “higher level of audience interest and potential participation” while maintaining a set
12 of game objectives, such as win probability, or overall prizing payout, that favors the
13 house. 279 Patent, 14:16-18.

14 32. The written description of the 279 Patent describes, in technical detail, each
15 of the limitations in the claims, allowing a person of skill in the art to understand what
16 those limitations cover, and therefore what was claimed, and also understand how the
17 non-conventional and non-generic ordered combination of the elements of the claims
18 differ markedly from what had been performed in the industry prior to the inventions of
19 the 279 Patent. As the 279 Patent specification explains, “[e]xemplary mandated
20 parameters may consist of prize pay out and win rates, and may include such factors as
21 the minimum payout amount, the maximum payout amount, a defined percentage
22 payout, the number of prizes, and/or the form of prizes. Within the system, the mandated
23 parameters are generally input to the system, and preferably stored in memory within
24 the system. Having received the mandated parameters, the system processor then selects
25 among dependent variable parameters to implement game play and prizing in a way that
26 achieve the mandated parameters. . . . Within these systems and methods, greater
27 flexibility is achieved with regard to the play on a particular individual event, while
28 achieving the mandated parameters for the game as a whole.” *Id.* at 5:11-6:4. “For a

1 given game, there are numerous parameters, including the number of levels in a game,
 2 the decision points within the game and desired duration of the play experience. The
 3 play experience may be varied such as by awarding extended game play, providing free
 4 play awards, advancing a player one or more levels based upon game play and/or the
 5 provision of complex decisions. The game play experience may be varied by changing
 6 the play probabilities. In one implementation, game play experience may utilize real
 7 world probabilities for the game play portion of the experience, but utilize other
 8 probabilities for the prizing portion of the overall game. By way of example, a simple
 9 probability game such a coin toss should emulate a 50/50 outcome experience as far as
 10 game play goes, but may be subject to a second prizing phase in which the mandated
 11 parameters can be achieved. For example, a prize board may be utilized to reduce the
 12 prizing payout to conform to the mandated parameters. Thus, the game play experience
 13 can feel as if the real world probabilities are being achieved, but the lower prizing payout
 14 be implemented as required by the mandated parameters. The player's win/lose
 15 experience may also be varied. For example, if the player must lose a individual game,
 16 the system may elect to give the user a loss, but one in which they appear to have come
 17 'close' to winning a prize." *Id.* at 16:22-46.

18 33. The claims of the 279 Patent thereby describe a technological solution to
 19 the problems of how to generate "higher level of audience interest and potential
 20 participation" while maintaining a set of game objectives, such as win probability, or
 21 overall prizing payout, that favors the house. For example, Claim 1 of the 279 Patent
 22 recites memory to "store mandated and programmable variable parameters for use in the
 23 course of game play, wherein, the mandated parameters represent parameters which
 24 must be achieved by the system as a whole, and the programmable variable parameters
 25 represent parameters characterizing at least one of: a game structure and a prizing
 26 structure," and a "play engine" to "determine the selection of the first or second
 27 programmable variable parameter sets utilizing the recorded game play information with
 28 predefined criteria including at least one of: a game structure and a prizing structure."

1 *Id.* at Claim 1. None of these elements, taken alone or in combination, were well-
2 understood, routine, or conventional to one of ordinary skill in the art at the time of the
3 invention.

4 34. The systems and methods covered by the asserted claims, therefore, differ
5 markedly from the prior systems in use at the time of this invention, which, *inter alia*,
6 lacked these features. By enabling dynamic modifications to the gameplay experience
7 based on analysis of game play, the claims are directed to a specific, unconventional
8 improvement to the way gaming computers operate.

9 35. Dependent claims of the 279 Patent are further directed to specific,
10 unconventional improvements to the way gaming computers operate. For example,
11 Claims 5-9 are directed to modifying game play parameters on the basis of various
12 criteria, including wins, losses or other game outcomes. Claims 11, 20 and 21 are
13 directed to limiting game play, including to specific geographic regions and based on
14 time. Claims 25-30 define specific predefined criteria used as the basis to modify game
15 play, including the amount of time played, the number of plays, and the number of wins.
16 None of these elements, taken alone or in combination, were well-understood, routine,
17 or conventional to one of ordinary skill in the art at the time of the invention.

18 36. On May 12, 2020, the United States Patent and Trademark Office duly and
19 legally issued U.S. Patent No. 10,650,635 (the “635 Patent”), entitled “Systems for
20 implementing enhanced gaming and prizing parameters in an electronic environment,”
21 to Randall M. Katz and Gary Dawson. A copy of the 635 Patent is attached to the
22 Complaint as Exhibit D.

23 37. Milestone is the owner of all right, title, and interest in and to the 635
24 Patent.

25 38. The 635 Patent is directed to systems for computerized gaming making use
26 of virtual currency obtained either through cash purchase or game play. Specifically,
27 the claims recite the game play includes “game play with virtual money”, which can be
28 acquired through cash purchase that is “subject to a multiplier” depending, for example,

1 on the amount of real money spent, or through game play. *Id.*

2 39. The elements claimed by the 635 Patent, taken alone or in combination,
3 were not well-understood, routine or conventional to one of ordinary skill in the art at
4 the time of the invention. Rather, the 635 Patent claims and teaches, *inter alia*, an
5 unconventional way to use a computer to provide virtual cash that is subject to a
6 multiplier and can be used or acquired through game events. As the specification
7 explains, this varying multiplier for virtual currency similarly provides a particular
8 solution to a specific problem in computerized gaming – that of maintaining player
9 interest, either given other entertainment possibilities or the difficulty of the game:
10 “Enhanced multipliers may be used to induce play at times when other entertainment is
11 available, e.g., sweeps weeks or prime time, as an inducement for the player to play the
12 subject games. The multiplier may change for different games, such as where the
13 multiplier increases where the real or perceived level of skill required is greater.” 635
14 Patent, 46:1-6.

15 40. The written description of the 635 Patent describes, in technical detail, each
16 of the limitations in the claims, allowing a person of skill in the art to understand what
17 those limitations cover, and therefore what was claimed, and also understand how the
18 non-conventional and non-generic ordered combination of the elements of the claims
19 differ markedly from what had been performed in the industry prior to the inventions of
20 the 635 Patent. As the 635 Patent specification explains, a “vCoin will typically be a
21 multiplier times the corresponding numeric monetary value, e.g. one dollar equals 500
22 vCoins. The multiplier is typically an integer number, and is usually an amount of 100,
23 500 or 1000, though any amount may be used. The multiplier may be fixed over time
24 and over games, or it may vary based on factors, such as time, game or player status. For
25 example, play during certain times may result in ‘double vCoins’. Enhanced multipliers
26 may be used to induce play at times when other entertainment is available, e.g., sweeps
27 weeks or prime time, as an inducement for the player to play the subject games. The
28 multiplier may change for different games, such as where the multiplier increases where

1 the real or perceived level of skill required is greater. . . .The vCoins may be traded for
2 cash or other forms of games, prizes or non-cash goods or services. They may be traded
3 into other forms either continuously (e.g., 956 vCoins may be redeemed for \$9.56) or
4 may be redeemed in quantized or discrete amounts, e.g., vCoins may only be redeemed
5 in groups of 1,000, corresponding to \$10. . . .vCoins provide the player with the
6 perception of a big win since the numbers are larger than any corresponding monetary
7 amount. Additionally, by being virtual and corresponding to electronic amounts, they
8 may be altered or varied as desired. By being able to track specific coins, the vCoins
9 technique leads to vastly expanded possibilities such as these.” *Id.* at 45:60-46:47.

10 41. The claims of the 635 Patent thereby describe a technological solution to
11 the problems of how to generate “higher level of audience interest and potential
12 participation” while maintaining a set of game objectives, such as win probability, or
13 overall prizing payout, that favors the house. For example, Claim 1 of the 635 Patent
14 recites “game play with virtual money, the virtual money being acquired through: (1)
15 game play and (2) cash purchase, the virtual money acquired by cash purchase being
16 subject to a multiplier,” and “conversion of the virtual money into a non-cash good
17 comprising an image to permit advancement to another level within the game.” *Id.* at
18 Claim 1. None of these elements, taken alone or in combination, were well-understood,
19 routine, or conventional to one of ordinary skill in the art at the time of the invention.

20 42. The systems covered by the asserted claims, therefore, differ markedly
21 from the prior systems in use at the time of this invention, which, *inter alia*, lacked these
22 features. By enabling the use of variable virtual currencies, the claims are directed to a
23 specific, unconventional improvement to the way gaming computers operate.

24 43. Dependent claims of the 635 Patent are further directed to specific,
25 unconventional improvements to the way gaming computers operate. For example,
26 Claims 10, 14, 16, and 29 are directed to user registration, player tracking and leader
27 boards. Claims 3, 4, 5, 6, 7, and 8 describe how virtual coins may be acquired and used,
28 including through non-cash purchases, inducements, promotions, and advancement to

1 other levels of the game. None of these elements, taken alone or in combination, were
2 well-understood, routine, or conventional to one of ordinary skill in the art at the time
3 of the invention.

4 44. On November 15, 2022, the United States Patent and Trademark Office
5 duly and legally issued U.S. Patent No. 11,501,607 (the “607 Patent”), entitled “Systems
6 for implementing enhanced gaming and prizing parameters in an electronic
7 environment,” to Randall M. Katz and Gary Dawson. A copy of the 607 Patent is
8 attached to the Complaint as Exhibit E.

9 45. Milestone is the owner of all right, title, and interest in and to the 607
10 Patent.

11 46. The 607 Patent is directed to methods of dynamically altering computerized
12 game play by altering the game structure or prizing parameters based on analysis of
13 game play by the computer system, and to the use of virtual currency obtained either
14 through cash purchase or game play. Specifically, the claims recite games that feature
15 a set of “mandated parameters” – a set of game objectives, such as win probability or
16 rate, an amount of time played (engagement), overall prizing payout, or other metric the
17 game designer seeks to achieve. *See, e.g.*, Ex. E (607 Patent), Claim 1. User game play
18 is tracked and analyzed, and on that basis, the game varies a set of game parameters
19 (recited as “variable parameters”), such as the structure of the game (e.g., its difficulty,
20 or game pieces provided) or its prizing, in order to achieve the mandated parameters. *Id.*
21 In addition, the game play includes “game play with virtual money (vCoins)”, which can
22 be acquired through cash purchase that is “subject to a multiplier” depending, for
23 example, on the amount of real money spent. *Id.*

24 47. The elements claimed by the 607 Patent, taken alone or in combination,
25 were not well-understood, routine or conventional to one of ordinary skill in the art at
26 the time of the invention. Rather, the 607 Patent claims and teaches, *inter alia*, an
27 unconventional way to use a computer to dynamically alter the structure of networked
28 games, or their prizing, based on analysis of game play conditions, and to provide virtual

1 cash that is subject to a multiplier. As the specification explains, this capability to
2 analyze game play and programmatically alter the structure of the game solves a known
3 problem in the field of computerized gaming – how to obtain a “higher level of audience
4 interest and potential participation” while maintaining a set of game objectives, such as
5 win probability, or overall prizing payout, that favors the house. 607 Patent, 14:51-58.
6 As the specification explains, this varying multiplier for virtual currency similarly
7 provides a particular solution to a specific problem in computerized gaming – that of
8 maintaining player interest, either given other entertainment possibilities or the difficulty
9 of the game: “Enhanced multipliers may be used to induce play at times when other
10 entertainment is available, e.g., sweeps weeks or prime time, as an inducement for the
11 player to play the subject games. The multiplier may change for different games, such
12 as where the multiplier increases where the real or perceived level of skill required is
13 greater.” 607 Patent, 46:21-26.

14 48. The written description of the 607 Patent describes, in technical detail, each
15 of the limitations in the claims, allowing a person of skill in the art to understand what
16 those limitations cover, and therefore what was claimed, and also understand how the
17 non-conventional and non-generic ordered combination of the elements of the claims
18 differ markedly from what had been performed in the industry prior to the inventions of
19 the 607 Patent. As the 607 Patent specification explains, “[e]xemplary mandated
20 parameters may consist of prize pay out and win rates, and may include such factors as
21 the minimum payout amount, the maximum payout amount, a defined percentage
22 payout, the number of prizes, and/or the form of prizes. Within the system, the mandated
23 parameters are generally inputted to the system, and preferably stored in memory within
24 the system. Having received the mandated parameters, the system processor then selects
25 among dependent variable parameters to implement game play and prizing in a way that
26 achieve the mandated parameters. . . . Within these systems and methods, greater
27 flexibility is achieved with regard to the play on a particular individual event, while
28 achieving the mandated parameters for the game as a whole.” *Id.* at 5:30-6:23. “For a

1 given game, there are numerous parameters, including the number of levels in a game,
 2 the decision points within the game and desired duration of the play experience. The
 3 play experience may be varied such as by awarding extended game play, providing free
 4 play awards, advancing a player one or more levels based upon game play and/or the
 5 provision of complex decisions. The game play experience may be varied by changing
 6 the play probabilities. In one implementation, game play experience may utilize real
 7 world probabilities for the game play portion of the experience, but utilize other
 8 probabilities for the prizing portion of the overall game. By way of example, a simple
 9 probability game such a coin toss should emulate a 50/50 outcome experience as far as
 10 game play goes, but may be subject to a second prizing phase in which the mandated
 11 parameters can be achieved. For example, a prize board may be utilized to reduce the
 12 prizing payout to conform to the mandated parameters. Thus, the game play experience
 13 can feel as if the real world probabilities are being achieved, but the lower prizing payout
 14 be implemented as required by the mandated parameters. The player's win/lose
 15 experience may also be varied. For example, if the player must lose an individual game,
 16 the system may elect to give the user a loss, but one in which they appear to have come
 17 'close' to winning a prize." *Id.* at 16:60-17:17.

18 49. As the 607 Patent specification further explains, a "vCoin will typically be
 19 a multiplier times the corresponding numeric monetary value, e.g. one dollar equals 500
 20 vCoins. The multiplier is typically an integer number, and is usually an amount of 100,
 21 500 or 1000, though any amount may be used. The multiplier may be fixed over time
 22 and over games, or it may vary based on factors, such as time, game or player status. For
 23 example, play during certain times may result in 'double vCoins'. Enhanced multipliers
 24 may be used to induce play at times when other entertainment is available, e.g., sweeps
 25 weeks or prime time, as an inducement for the player to play the subject games. The
 26 multiplier may change for different games, such as where the multiplier increases where
 27 the real or perceived level of skill required is greater. . . .The vCoins may be traded for
 28 cash or other forms of games, prizes or non-cash goods or services. They may be traded

1 into other forms either continuously (e.g., 956 vCoins may be redeemed for \$9.56) or
2 may be redeemed in quantized or discrete amounts, e.g., vCoins may only be redeemed
3 in groups of 1,000, corresponding to \$10. . . .vCoins provide the player with the
4 perception of a big win since the numbers are larger than any corresponding monetary
5 amount. Additionally, by being virtual and corresponding to electronic amounts, they
6 may be altered or varied as desired. By being able to track specific coins, the vCoins
7 technique leads to vastly expanded possibilities such as these.” *Id.* at 46:13-67.

8 50. The claims of the 607 Patent thereby describe a technological solution to
9 the problems of how to generate “higher level of audience interest and potential
10 participation” while maintaining a set of game objectives, such as win probability, or
11 overall prizing payout, that favors the house. For example, Claim 1 of the 607 Patent
12 recites “mandated and variable parameters for use in the course of game play, wherein
13 the mandated parameters represent parameters which must be achieved by the system as
14 a whole, and the variable parameters represent parameters characterizing at least one of:
15 a game structure and a prizing structure,” “a decision engine for performing game
16 analytics on the game play and determine the selection of the first or second
17 programmable variable parameters utilizing the recorded game play information with
18 predefined criteria,” “implementing a first variable parameters to provide a first game
19 play experience, and modifying the variable parameters to provide second variable
20 parameters providing a second game play experience, where the first game play
21 experience differs from the second game play experience,” “game play with virtual
22 money (vCoins), the virtual money (vCoins) being acquired in response to a purchase
23 utilizing the payment information of the users,” and “the virtual money (vCoins)
24 acquired in response to a purchase being subject to a multiplier.” *Id.* at Claim 1. None
25 of these elements, taken alone or in combination, were well-understood, routine, or
26 conventional to one of ordinary skill in the art at the time of the invention.

27 51. The systems covered by the asserted claims, therefore, differ markedly
28 from the prior systems in use at the time of this invention, which, *inter alia*, lacked these

1 features. By enabling dynamic modifications to the gameplay experience based on
2 analysis of game play, and the use of variable virtual currencies, the claims are directed
3 to a specific, unconventional improvement to the way gaming computers operate.

4 52. Dependent claims of the 607 Patent are further directed to specific,
5 unconventional improvements to the way gaming computers operate. For example,
6 Claims 16 and 17 are directed to limiting game play, including based on time. None of
7 these elements, taken alone or in combination, were well-understood, routine, or
8 conventional to one of ordinary skill in the art at the time of the invention.

9 53. On November 3, 2020, the United States Patent and Trademark Office duly
10 and legally issued U.S. Patent No. 10,825,294 (the “294 Patent”), entitled “Systems for
11 implementing enhanced gaming and prizing parameters in an electronic environment,”
12 to Randall M. Katz and Gary Dawson. A copy of the 294 Patent is attached to the
13 Complaint as Exhibit F.

14 54. Milestone is the owner of all right, title, and interest in and to the 294
15 Patent.

16 55. The 294 Patent is directed to systems for computerized gaming making use
17 of virtual currency obtained either through cash purchase or game play. Specifically,
18 the claims recite the game play includes “game play with virtual money”, which can be
19 acquired through cash purchase that is “subject to a multiplier” depending, for example,
20 on the amount of real money spent, or through game play. *Id.*

21 56. The elements claimed by the 294 Patent, taken alone or in combination,
22 were not well-understood, routine or conventional to one of ordinary skill in the art at
23 the time of the invention. Rather, the 294 Patent claims and teaches, *inter alia*, an
24 unconventional way to use a computer to provide virtual cash that is subject to a
25 multiplier and can be used or acquired through game events. As the specification
26 explains, this varying multiplier for virtual currency similarly provides a particular
27 solution to a specific problem in computerized gaming – that of maintaining player
28 interest, either given other entertainment possibilities or the difficulty of the game:

1 “Enhanced multipliers may be used to induce play at times when other entertainment is
 2 available, e.g., sweeps weeks or prime time, as an inducement for the player to play the
 3 subject games. The multiplier may change for different games, such as where the
 4 multiplier increases where the real or perceived level of skill required is greater.” 294
 5 Patent, 46:4-9.

6 57. The written description of the 294 Patent describes, in technical detail, each
 7 of the limitations in the claims, allowing a person of skill in the art to understand what
 8 those limitations cover, and therefore what was claimed, and also understand how the
 9 non-conventional and non-generic ordered combination of the elements of the claims
 10 differ markedly from what had been performed in the industry prior to the inventions of
 11 the 294 Patent. As the 294 Patent specification explains, a “vCoin will typically be a
 12 multiplier times the corresponding numeric monetary value, e.g. one dollar equals 500
 13 vCoins. The multiplier is typically an integer number, and is usually an amount of 100,
 14 500 or 1000, though any amount may be used. The multiplier may be fixed over time
 15 and over games, or it may vary based on factors, such as time, game or player status. For
 16 example, play during certain times may result in ‘double vCoins’. Enhanced multipliers
 17 may be used to induce play at times when other entertainment is available, e.g., sweeps
 18 weeks or prime time, as an inducement for the player to play the subject games. The
 19 multiplier may change for different games, such as where the multiplier increases where
 20 the real or perceived level of skill required is greater. . . .The vCoins may be traded for
 21 cash or other forms of games, prizes or non-cash goods or services. They may be traded
 22 into other forms either continuously (e.g., 956 vCoins may be redeemed for \$9.56) or
 23 may be redeemed in quantized or discrete amounts, e.g., vCoins may only be redeemed
 24 in groups of 1,000, corresponding to \$10. . . .vCoins provide the player with the
 25 perception of a big win since the numbers are larger than any corresponding monetary
 26 amount. Additionally, by being virtual and corresponding to electronic amounts, they
 27 may be altered or varied as desired. By being able to track specific coins, the vCoins
 28 technique leads to vastly expanded possibilities such as these.” *Id.* at 45:63-46:50.

1 58. The claims of the 294 Patent thereby describe a technological solution to
2 the problems of how to generate “higher level of audience interest and potential
3 participation” while maintaining a set of game objectives, such as win probability, or
4 overall prizing payout, that favors the house. For example, Claim 1 of the 294 Patent
5 recites “game play with virtual money, (b) the virtual money being acquired through:
6 (1) game play and (2) purchase,” “(c) the virtual money acquired by cash purchase being
7 subject to a multiplier,” and “(d) conversion of the virtual money into a non-cash good
8 comprising an image, the image to permit advancement to another level within the
9 game.” *Id.* at Claim 1. None of these elements, taken alone or in combination, were
10 well-understood, routine, or conventional to one of ordinary skill in the art at the time
11 of the invention.

12 59. The systems covered by the asserted claims, therefore, differ markedly
13 from the prior systems in use at the time of this invention, which, *inter alia*, lacked these
14 features. By enabling the use of variable virtual currencies, the claims are directed to a
15 specific, unconventional improvement to the way gaming computers operate.

16 60. Dependent claims of the 294 Patent are further directed to specific,
17 unconventional improvements to the way gaming computers operate. For example,
18 Claims 3, 4, 5, 6, describe how virtual coins may be acquired and used, including through
19 non-cash purchases, inducements. None of these elements, taken alone or in
20 combination, were well-understood, routine, or conventional to one of ordinary skill in
21 the art at the time of the invention.

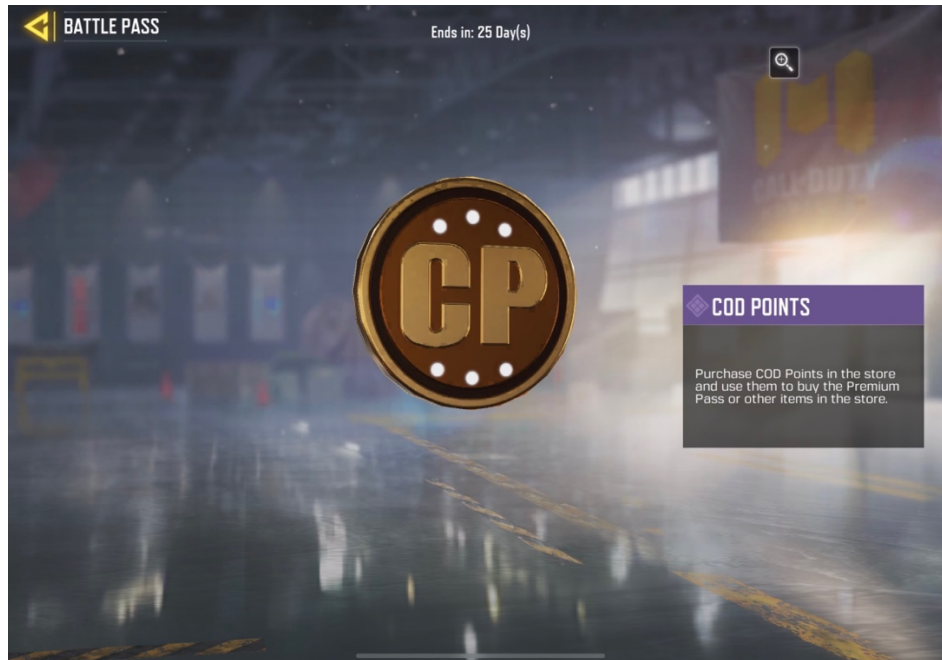
22 61. The 336 Patent, 164 Patent, 279 Patent, 635 Patent, 607 Patent, and 294
23 Patent (collectively the “Asserted Patents”) are valid and enforceable.

24 **V. THE INFRINGING PRODUCTS**

25 62. Defendant’s computer games for use on iOS and Android mobile devices,
26 and personal computers (including on web browsers and Facebook) including but not
27 limited to: Candy Crush Saga, and Call of Duty: Mobile, practice claimed inventions of
28 the Asserted Patents (hereinafter, the “Accused Products”). In connection with the

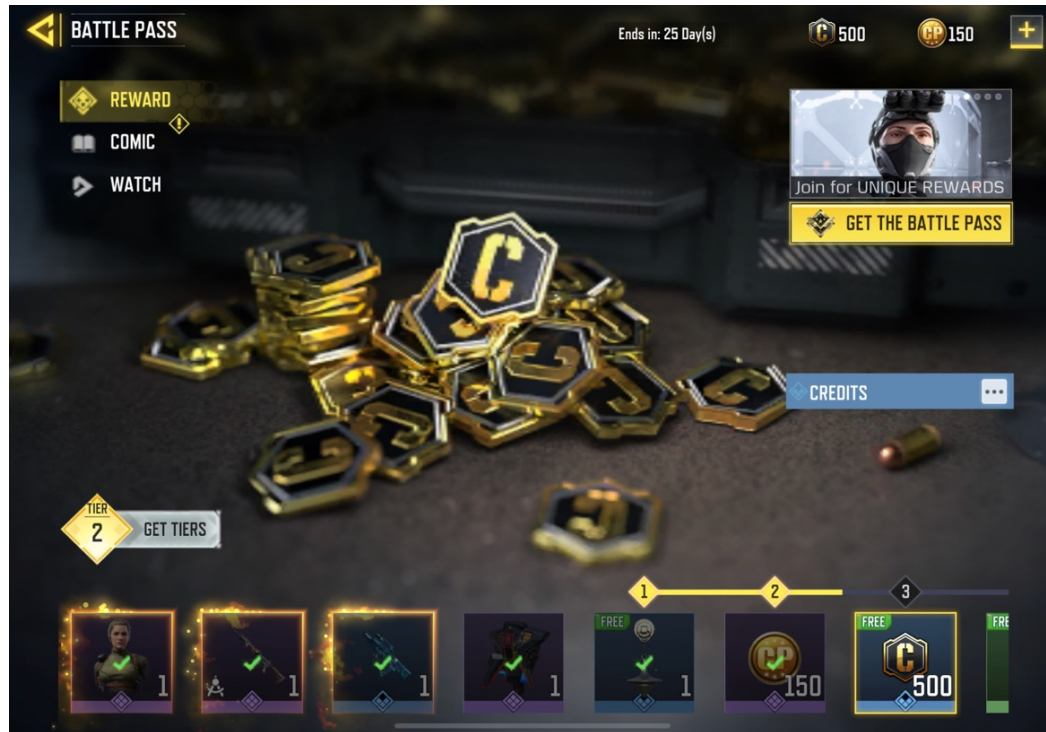
1 Accused Products, Defendant performs in the United States without authority every step
2 of the patented inventions; and makes, uses, sells, and/or offers to sell in the United
3 States without authority software that, when installed on a computing device meets each
4 and every limitation of the asserted claims.

5 63. For example, when installed on a mobile device, Call of Duty: Mobile uses
6 the device processor to generate game play information, including game play with
7 virtual money. Call of Duty: Mobile uses virtual money, including “COD Points” (a/k/a
8 “CP”). The money is “virtual” because it has no real-world counterpart, and no
9 consistently defined relationship to any real currency.





64. In Call of Duty: Mobile, virtual money can be acquired through game play, including by advancing through tiers based on repeated play with a battle pass.



How to Get COD Points in Call of Duty

You may struggle to get lots of COD points if you don't want to spend real money. The easiest way however would be to **earn them through game play** and this includes purchasing the season 1 Battle Pass. This will set you back around \$9.99 in the store.

When you unlock the Battle Pass, you get COD points through unlocking the tiers and completing the challenges. Leveling up the Battle Pass will earn you around 800 CP, and this is enough to get to the next season of Battle Pass.

Throughout the progression of the Battle Pass, you will keep **earning various awards** and you can then choose to spend these on the COD points that are available in the store.

Additionally, the game runs special offers of COD points occasionally, so just keep an eye out for this.

65. In Call of Duty: Mobile, the virtual money acquired by cash purchase is subject to a multiplier, such that larger amounts of cash purchase produce disproportionately larger amounts of virtual money in relation to lower cash amounts.



66. As another example, on information and belief, Candy Crush Saga stores mandated parameters for use in game play that represent threshold game play objectives the game is desired to achieve, including parameters relating to the frequency and amount of game play per player, and the frequency and amount of in-game purchases per player. For example, Candy Crush Saga tracks the number of monthly average users (MAUs, defined by Activision-Blizzard as the number of players accessing the game within the last 30 days), and in-game net bookings. See

<https://investor.activision.com/news-releases/news-release-details/activision-blizzard-announces-fourth-quarter-and-2021-financial>.

67. Candy Crush Saga also tracks win rates for each level, and in-game purchases for each level.



68. On information and belief, Candy Crush tracks numerous aspects of game play for use as mandated parameters, or thresholds the game seeks to achieve, such as the frequency of play, the total amount of time played in a given period, the amount of time since the last play, the win/loss rate, the number of plays on a given level since the last win, the rate of progression through game levels, the number of in-game purchases, and the frequency of in-game purchase.

69. In addition, Candy Crush stores alterable variable parameters defining both the game play and prizing structure. These parameters define, *e.g.*, how the game is played, the likelihood of a win, and the prizes awarded for a defined win. These parameters are “variable” in that they may be programmatically and dynamically altered. On information and belief, the variable parameters that define the game and prizing

1 structure are altered when one or more threshold levels of the mandated parameters
 2 concerning engagement and in-game purchases are met or crossed.

3 70. For example, Candy Crush Saga alters the composition of the opening and
 4 in-play game board, and alters the likelihood of obtaining special items during game
 5 play, in order to increase the chances of completing a level in the game.



19 71. For example, Candy Crush alters the likelihood of obtaining more powerful
 20 special items in mini-games, and varies the frequency of mini-games and bonuses, in
 21 order to increase the chances of completing a level in the game.



72. For example, Candy Crush initially offers players, upon a loss, the ability to either purchase additional moves to complete the level, or watch an advertisement to obtain additional moves. Following any in-game purchase, the advertising option is removed, and the player's only option is to pay to keep playing.

Prior to first purchase Following first purchase



73. For example, Candy Crush alters the prizing structure by offering players discounted purchases of special items for “hard levels” based on previous player experience.



74. In the interest of providing detailed averments of infringement, Plaintiff has identified below at least one claim per patent-in-suit to demonstrate infringement by at least one product. However, the selection of claims and products below should not be considered limiting, and infringement by Activision Blizzard by way of additional claims of the Asserted Patents and additional products will be disclosed in compliance with the Court’s rules related to infringement contentions and/or discovery. The allegations provided herein are exemplary and without prejudice to Plaintiff’s infringement contentions to be provided pursuant to the Court’s scheduling order, local rules, and/or discovery procedures. Plaintiff’s claim construction contentions regarding the meaning and scope of the claim terms will be provided under the Court’s scheduling order, local rules, and/or discovery procedures. As detailed below, each element of at

1 least one claim of each of the patents-in-suit is literally present in at least one accused
2 product. To the extent that any element is not literally present, each such element is
3 present under the doctrine of equivalents. Plaintiff's analysis below should not be taken
4 as an admission and/or contention that the preamble for any claim is or is not limiting.
5 While publicly available information is cited below, Plaintiff may rely on other forms
6 of evidence to show infringement.

7 **VI. COUNT I (INFRINGEMENT OF U.S. PATENT NO. 8,529,336)**

8 75. Plaintiff repeats and realleges the allegations in the preceding paragraphs
9 as though fully set forth herein.

10 76. Upon information and belief, Activision Blizzard has directly infringed at
11 least Claims 1, 3, 4, 5, 13, 18, 19, 20, 22, 24, 25, 26, 29, 42, 44, 45, 46, 47, and 50, of
12 the 336 Patent in violation of 35 U.S.C. § 271(a), either literally or under the doctrine of
13 equivalents, by performing in the United States without authority each and every step of
14 the claims by using devices that embody the patented invention, namely, the Accused
15 Products installed or operating on a computing device. For example, Activision Blizzard
16 directly infringes at least these claims of the 336 Patent when its software performs each
17 element of the claimed methods, such as when Activision Blizzard operates the Accused
18 Products for internal testing and development.

19 77. For example, the Accused Products perform the method of Claim 1 because
20 they provide a method for electronic interaction with users of the system, *i.e.*, game play
21 on a computing device. For example, Candy Crush Saga enables users to interact with
22 a multi-level game, as shown below.
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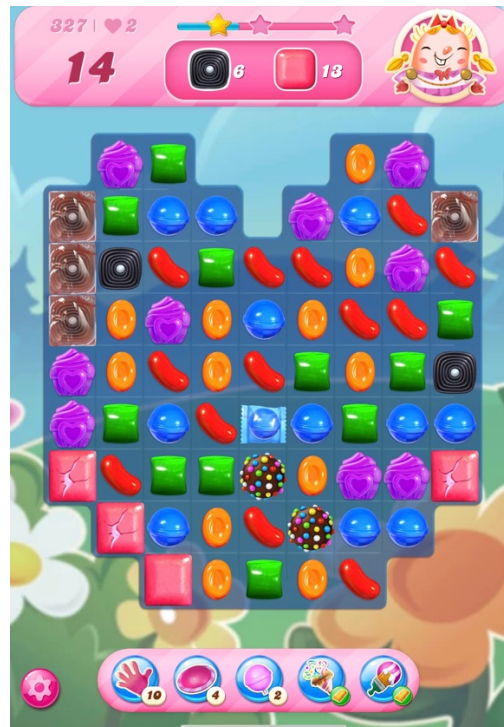
78. The Accused Products perform the step of receiving mandated parameters, the mandated parameters being those which must be achieved by the system as a whole, as recited in Claim 1. For example, on information and belief, Candy Crush Saga tracks numerous aspects of game play for use as mandated parameters, or thresholds the game seeks to achieve, such as the frequency of play, the total amount of time played in a given period, the amount of time since the last play, the win/loss rate, the number of plays on a given level since the last win, the rate of progression through game levels, the number of in-game purchases, and the frequency of in-game purchase.

79. On information and belief, the Accused Products perform the step of storing in a memory coupled to the input at least the mandated parameters, as recited in Claim 1. For example, on information and belief, Candy Crush Saga utilizes the memory of the device it is installed on to store the mandated parameters described above, and/or stores them in a server environment operated by Defendant.

80. On information and belief, the Accused Products perform the step of processing in a processing system coupled to the memory for implementing the

mandated parameters by utilizing variable parameters, the processing system utilizing the variable parameters to achieve the mandated parameters, as recited in Claim 1. For example, on information and belief, Candy Crush Saga stores alterable variable parameters defining both the game play and prizing structure. These parameters define, *e.g.*, how the game is played, the likelihood of a win, and the prizes awarded for a defined win. These parameters are “variable” in that they may be programmatically and dynamically altered. On information and belief, the variable parameters that define the game and prizing structure are altered when one or more threshold levels of the mandated parameters concerning engagement and in-game purchases are met or crossed.

81. For example, Candy Crush Saga alters the composition of the opening and in-play game board, and alters the likelihood of obtaining special items during game play, in order to increase the chances of completing a level in the game.



82. For example, Candy Crush alters the likelihood of obtaining more powerful special items in mini-games, and varies the frequency of mini-games and bonuses, in order to increase the chances of completing a level in the game.



83. For example, Candy Crush initially offers players, upon a loss, the ability to either purchase additional moves to complete the level or watch an advertisement to obtain additional moves. Following any in-game purchase, the advertising option is removed, and the player's only option is to pay to keep playing.

Prior to first purchase Following first purchase



84. For example, Candy Crush alters the prizing structure by offering players discounted purchases of special items for “hard levels” based on previous player experience.



85. On information and belief, the Accused Products perform the step of storing information regarding particular game play events as determined by the processor, as recited in Claim 1. For example, Candy Crush Saga tracks the number of monthly average users (MAUs, defined by Activision-Blizzard as the number of players accessing the game within the last 30 days), and in-game net bookings. See <https://investor.activision.com/news-releases/news-release-details/activision-blizzard-announces-fourth-quarter-and-2021-financial>.

86. Candy Crush Saga also tracks win rates for each level, and in-game purchases for each level.



87. On information and belief, the Accused Products perform the step of generating presentations for at least displaying game play events, as recited in Claim 1. For example, Candy Crush Saga displays game play events during game play.



88. The Accused Products perform the step of performing game analytics on the game play events, as recited in Claim 1. For example, as described above, Candy Crush Saga tracks win rates for each level, and in-game purchases for each level.

89. The Accused Products perform the step of varying the displays presented to the user to achieve the mandated parameters, as recited in Claim 1. For example, on information and belief, the variable parameters that define the game and prizing structure of Candy Crush Saga are altered when one or more threshold levels of the mandated parameters concerning engagement and in-game purchases are met or crossed.

90. For example, Candy Crush Saga alters the composition of the opening and in-play game board, and alters the likelihood of obtaining special items during game play, in order to increase the chances of completing a level in the game.



91. For example, Candy Crush alters the likelihood of obtaining more powerful special items in mini-games, and varies the frequency of mini-games and bonuses, in

order to increase the chances of completing a level in the game.



92. For example, Candy Crush initially offers players, upon a loss, the ability to either purchase additional moves to complete the level, or watch an advertisement to obtain additional moves. Following any in-game purchase, the advertising option is removed, and the player's only option is to pay to keep playing.

Prior to first purchase Following first purchase



93. For example, Candy Crush alters the prizing structure by offering players discounted purchases of special items for “hard levels” based on previous player experience.



94. Accordingly, the Accused Products perform each and every step of exemplary Claim 1 of the 336 Patent.

95. Activision Blizzard’s acts of infringement cause damage to Plaintiff, and Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of Activision Blizzard’s infringement of the Asserted Patents, but in no event less than a reasonable royalty.

96. Activision Blizzard’s acts of infringement, unless restrained and enjoined, will cause irreparable injury and damage to Plaintiff for which there is no adequate remedy at law.

97. Activision Blizzard’s infringement of the Asserted Patents is exceptional and entitles Plaintiff to attorneys’ fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

VII. COUNT II (INFRINGEMENT OF U.S. PATENT NO. 11,335,164)

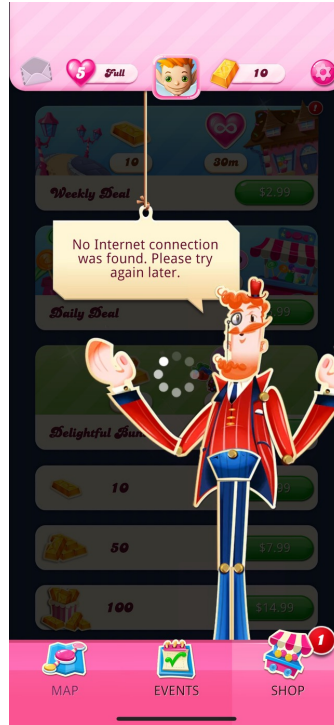
98. Plaintiff repeats and realleges the allegations in the preceding paragraphs as though fully set forth herein.

99. Upon information and belief, Activision Blizzard has directly infringed at least Claims 1, 2, 4, 5, 6, 7, 9, 11, 12, 13, 15, 19, 23, 24, and 29 of the 164 Patent in violation of 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents, by making, using, selling, and/or offering to sell in the United States without authority products which meet each limitation of the asserted claims, namely, the Accused Products installed or operating on a computing device, including operating servers to support the infringing game play. For example, Activision Blizzard directly infringes at least these claims of the 164 Patent when its software is installed on a computing platform, such as when Activision Blizzard operates the Accused Products for internal testing and development.

100. For example, the Accused Products meet the system of Claim 1 of the 164 Patent because, when installed or operating on a computing device, they provide a system for electronic game play involving one or more remote users of a system in an electronic environment, the remote users utilizing electronic communication devices having display capabilities, the electronic communication devices having input capability and generate an output corresponding to the input, the electronic communication devices having storage to store information from a remote source. For example, Candy Crush Saga when installed on a computing device enables electronic game play for remote users, including display, input, and output, as shown below.



101. The Accused Products meet the limitation of a server including memory to process and store: registration user information of the remote users, payment information of the remote users, as recited in Claim 1. For example, as described above, on information and belief, Candy Crush Saga utilizes servers that store player registration and payment information, as demonstrated by the requirement of Internet connectivity for user purchases and player information across platforms:



102. The Accused Products meet the limitation of a server including memory to store mandated and variable parameters for use in the course of game play, wherein the mandated parameters represent parameters which must be achieved by the system as a whole, and the variable parameters represent parameters characterizing at least one of: a game structure and a prizing structure, as recited in Claim 1.

103. For example, on information and belief, Candy Crush Saga tracks numerous aspects of game play for use as mandated parameters, or thresholds the game seeks to achieve, such as the frequency of play, the total amount of time played in a given period, the amount of time since the last play, the win/loss rate, the number of plays on a given level since the last win, the rate of progression through game levels, the number of in-game purchases, and the frequency of in-game purchase.

104. For example, on information and belief, Candy Crush Saga stores alterable variable parameters defining both the game play and prizing structure. These parameters define, *e.g.*, how the game is played, the likelihood of a win, and the prizes awarded for a defined win. These parameters are “variable” in that they may be programmatically and dynamically altered. On information and belief, the variable parameters that define

the game and prizing structure are altered when one or more threshold levels of the mandated parameters concerning engagement and in-game purchases are met or crossed.

105. For example, Candy Crush Saga alters the composition of the opening and in-play game board, and alters the likelihood of obtaining special items during game play, in order to increase the chances of completing a level in the game.



106. For example, Candy Crush alters the likelihood of obtaining more powerful special items in mini-games, and varies the frequency of mini-games and bonuses, in order to increase the chances of completing a level in the game.



107. For example, Candy Crush initially offers players, upon a loss, the ability to either purchase additional moves to complete the level, or watch an advertisement to obtain additional moves. Following any in-game purchase, the advertising option is removed, and the player's only option is to pay to keep playing.

Prior to first purchase Following first purchase



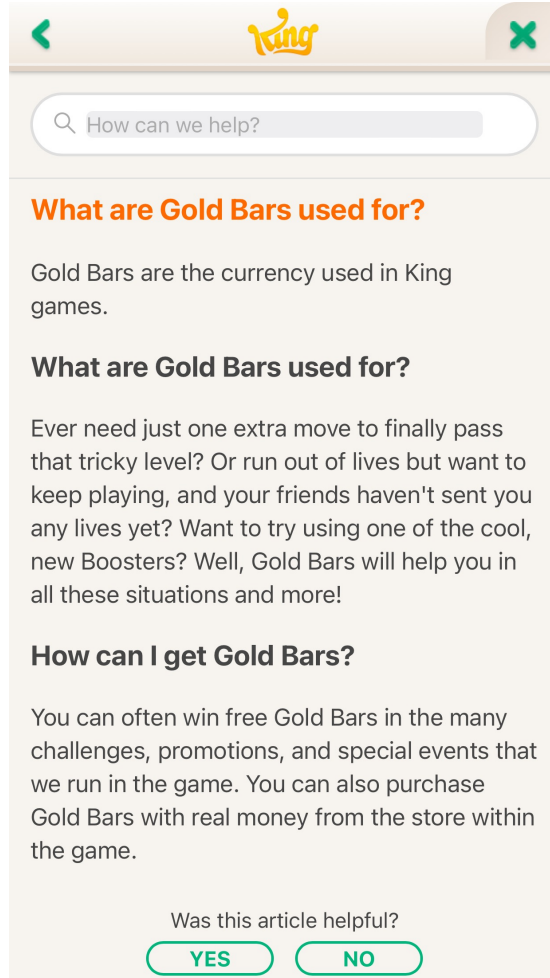
108. For example, Candy Crush alters the prizing structure by offering players discounted purchases of special items for “hard levels” based on previous player experience.



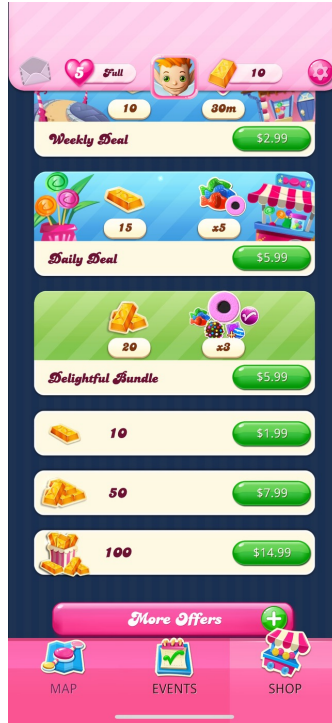
109. The Accused Products meet the limitation of a communication interface adapted to couple bi-directional communications between the one or more remote users utilizing electronic communication devices, as recited in Claim 1. For example, Candy Crush Saga enables end user devices to transmit game information to server computers operated by Defendant, and receive game information as well.



110. The Accused Products meet the limitation of a game processor coupled to memory generating game play information, the game processor providing at least: the game play information including game play with virtual money (vCoins), the virtual money (vCoins) being acquired in response to a purchase utilizing the payment information of the users, as recited in Claim 1. For example, Candy Crush Saga provides “Gold Bars”, which are virtual money that can be acquired through game play, or through purchase, and can be used to obtain various game items, as explained in support pages for the game:



111. The Accused Products meet the limitation of the virtual money (vCoins) acquired in response to a purchase being subject to a multiplier, as recited in Claim 1. For example, cash purchases of Candy Crush Saga's "Gold Bars" are subject to a multiplier, as shown below, where 10 bars are available for \$1.99, and 50 bars are available for \$7.99.



112. The Accused Products meet the limitation of implementing a first set of variable parameters to provide a first game play experience, and modifying the variable parameters to provide a second set of variable parameters providing a second game play experience, where the first game play experience differs from the second game play experience, as recited in Claim 1.

113. For example, on information and belief, Candy Crush Saga stores alterable variable parameters defining both the game play and prizing structure. These parameters define, *e.g.*, how the game is played, the likelihood of a win, and the prizes awarded for a defined win. These parameters are “variable” in that they may be programmatically and dynamically altered. On information and belief, the variable parameters that define the game and prizing structure are altered when one or more threshold levels of the mandated parameters concerning engagement and in-game purchases are met or crossed.

114. For example, Candy Crush Saga alters the composition of the opening and in-play game board, and alters the likelihood of obtaining special items during game play, in order to increase the chances of completing a level in the game.



115. For example, Candy Crush alters the likelihood of obtaining more powerful special items in mini-games, and varies the frequency of mini-games and bonuses, in order to increase the chances of completing a level in the game.



116. For example, Candy Crush Saga initially offers players, upon a loss, the ability to either purchase additional moves to complete the level, or watch an advertisement to obtain additional moves. Following any in-game purchase, the advertising option is removed, and the player's only option is to pay to keep playing.

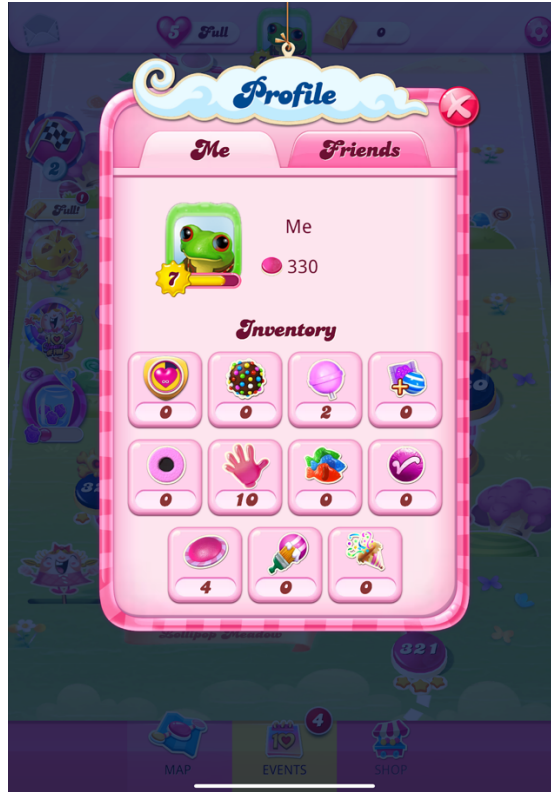
Prior to first purchase Following first purchase



117. For example, Candy Crush alters the prizing structure by offering players discounted purchases of special items for “hard levels” based on previous player experience.



118. The Accused Products meet the limitation of memory storing account information which varies through game play, as recited in Claim 1. For example, Candy Crush Saga stores information about registered players, including their identity, and the number of player points and special items accrued, which varies during game play.

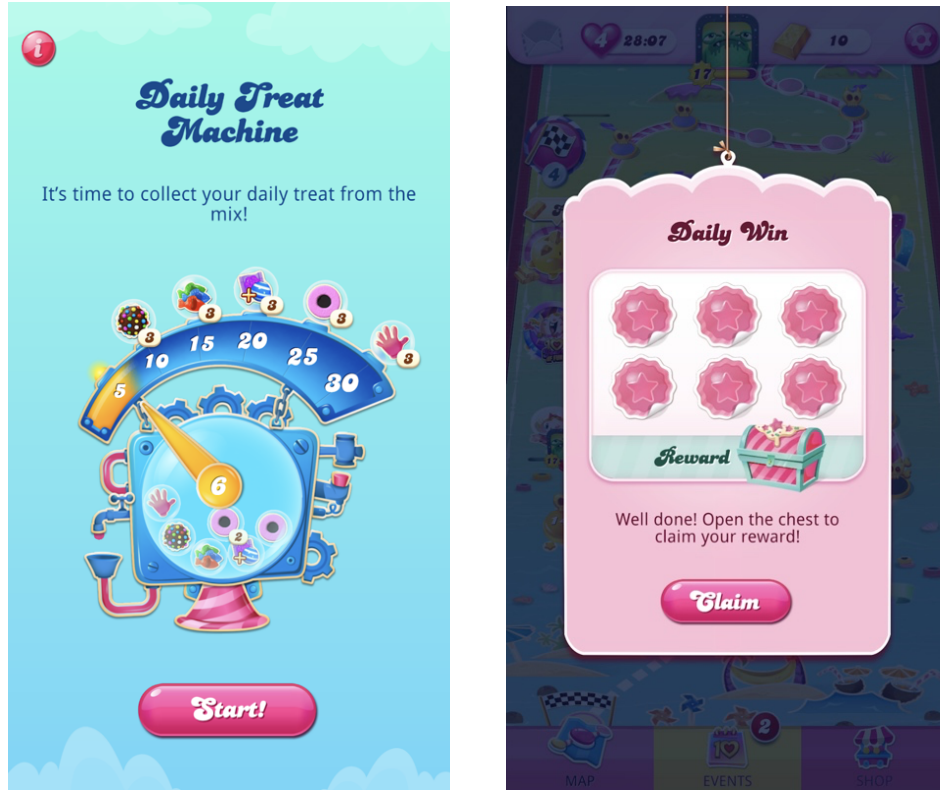


119. The Accused Products meet the limitation of a decision engine for performing game analytics on the game play, as recited in Claim 1. For example, Candy Crush Saga tracks the number of monthly average users (MAUs, defined by Activision-Blizzard as the number of players accessing the game within the last 30 days), and in-game net bookings. See <https://investor.activision.com/news-releases/news-release-details/activision-blizzard-announces-fourth-quarter-and-2021-financial>. Candy Crush Saga also tracks win rates for each level, and in-game purchases for each level.



120. On information and belief, Candy Crush tracks numerous aspects of game play, such as the frequency of play, the total amount of time played in a given period, the amount of time since the last play, the win/loss rate, the number of plays on a given level since the last win, the rate of progression through game levels, the number of in-game purchases, and the frequency of in-game purchase.

121. The Accused Products meet the limitation of a prizing system to award a win to the one or more remote users determined by a prizing structure, as recited in Claim 1. For example, Candy Crush Saga maintains a prizing structure that awards wins to game players in regular game play, daily and other periodic bonuses, and mini-games:



122. Accordingly, the Accused Products meet each and every limitation of exemplary Claim 1 of the 164 Patent.

123. On information and belief, Activision Blizzard has induced and continues to induce infringement of claims of the 164 Patent pursuant to 35 U.S.C. § 271(b), including at least Claims 1, 2, 4, 5, 6, 7, 9, 11, 12, 13, 15, 19, 23, 24, and 29, by encouraging its customers and other third parties to make and use the claimed systems, such as by installing and using the Accused Products to play games that utilize mandated parameters and variable parameters to dynamically alter game play by altering the game structure or prizing parameters based on analysis of game play by the computer system, and that utilize virtual currency obtained either through cash purchase or game play.

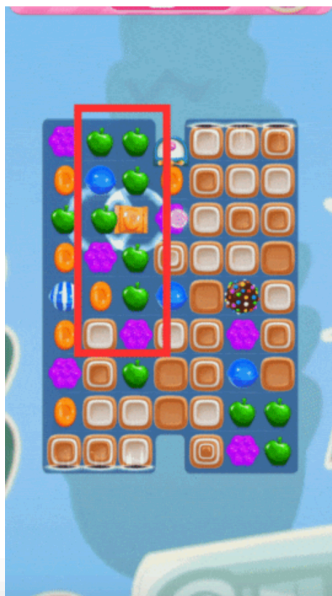
124. Such conduct constitutes infringement, literally or under the doctrine of equivalents, of one or more claims of the 164 Patent by such third parties. Activision Blizzard's acts of encouragement include: providing and intending that third parties use the Accused Products to play games; purposefully and voluntarily placing the Accused Products that utilize mandated parameters and variable parameters to dynamically alter

game play by altering the game structure or prizing parameters based on analysis of game play by the computer system, and utilize virtual currency, in the stream of commerce with the expectation that they will be used by customers. For example, Activision Blizzard makes Candy Crush Saga available on “app stores” for iOS and Android, and on Facebook, so that users will download and play the game, resulting in infringement. As another example, Activision Blizzard provides FAQs and support documents explaining how to play Candy Crush Saga in a manner that results in infringement:

The Color Bomb might be the most Special Candy in the game! It will boost your gameplay, and it's great to tackle blockers and collect orders.

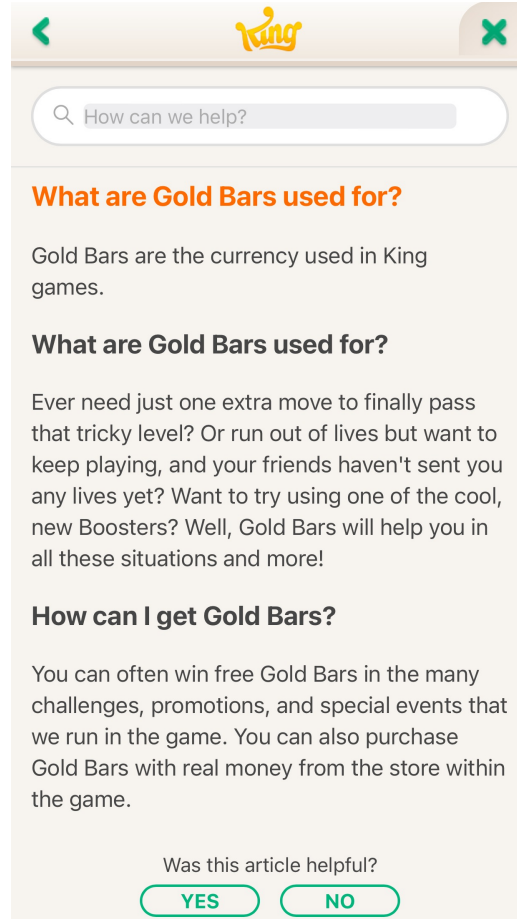
How can I create one?

To create a Color Bomb, just match five Candies in a row or column:



<https://candycrush.zendesk.com/hc/en-us/articles/13940218109469-Learn-all-about-the-Color-Bomb#%20>.

125. As another example, Activision Blizzard provides support and instruction in using Candy Crush Saga in a manner that infringes, including how to obtain and use vCoins through cash purchase or game play:



126. Furthermore, Activision Blizzard has actual knowledge of how the Accused Products infringe when used in this manner, including when they are used by customers. Activision Blizzard has undertaken these acts of encouragement with the specific intent that end-users use such Accused Products as intended by Activision Blizzard in a manner that infringes the asserted claims of the 164 Patent. Activision Blizzard proceeded in this manner despite its actual knowledge of the 164 Patent and that the specific actions it is actively inducing on the part of its customers and other third parties constitute infringement of the 164 Patent at least as of the date of service of the Complaint in this matter. At the very least, because Activision Blizzard is on notice of the 164 Patent and the accused infringement, as of the date of the filing and/or service of this Complaint, it is willfully blind regarding the infringement it has induced and continues to induce.

127. Activision Blizzard's acts of infringement cause damage to Plaintiff, and Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of

1 Activision Blizzard's infringement of the Asserted Patents, but in no event less than a
2 reasonable royalty.

3 128. Activision Blizzard's acts of infringement, unless restrained and enjoined,
4 will cause irreparable injury and damage to Plaintiff for which there is no adequate
5 remedy at law.

6 129. Activision Blizzard's infringement of the Asserted Patents is exceptional
7 and entitles Plaintiff to attorneys' fees and costs incurred in prosecuting this action under
8 35 U.S.C. § 285.

9 **VIII. COUNT III (INFRINGEMENT OF U.S. PATENT NO. 11,393,279)**

10 130. Plaintiff repeats and realleges the allegations in the preceding paragraphs
11 as though fully set forth herein.

12 131. Upon information and belief, Activision Blizzard has directly infringed at
13 least Claims 1, 3-9, 13, 17, 18, 23, 25, 26, 28, and 29 of the 279 Patent in violation of
14 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents, by making,
15 using, selling, and/or offering to sell in the United States without authority products
16 which meet each limitation of the asserted claims, namely, the Accused Products
17 installed or operating on a computing device. For example, Activision Blizzard directly
18 infringes at least these claims of the 164 Patent when its software is installed on a
19 computing platform, such as when Activision Blizzard operates the Accused Products
20 for internal testing and development. For example, Candy Crush Saga meets each and
21 every limitation of exemplary Claim 1 of the 279 Patent, for the reasons explained
22 herein, including the use of mandated and variable parameters to dynamically alter the
23 structure and/or prizing of games.

24 132. Activision Blizzard's acts of infringement cause damage to Plaintiff, and
25 Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of
26 Activision Blizzard's infringement of the Asserted Patents, but in no event less than a
27 reasonable royalty.

28 133. Activision Blizzard's acts of infringement, unless restrained and enjoined,

1 will cause irreparable injury and damage to Plaintiff for which there is no adequate
2 remedy at law.

3 134. Activision Blizzard's infringement of the Asserted Patents is exceptional
4 and entitles Plaintiff to attorneys' fees and costs incurred in prosecuting this action under
5 35 U.S.C. § 285.

6 **IX. COUNT IV (INFRINGEMENT OF U.S. PATENT NO. 10,650,635)**

7 135. Plaintiff repeats and realleges the allegations in the preceding paragraphs
8 as though fully set forth herein.

9 136. Upon information and belief, Activision Blizzard has directly infringed at
10 least Claims 1, 2, 4, 6, 8, 9, 10, 14-16, 17, 18, 21, 22, 23, 25, 27, and 29 of the 635 Patent
11 in violation of 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents,
12 by making, using, selling, and/or offering to sell in the United States without authority
13 products which meet each limitation of the asserted claims, namely, the Accused
14 Products installed or operating on a computing device. For example, Activision Blizzard
15 directly infringes at least these claims of the 635 Patent when its software is installed on
16 a computing platform, such as when Activision Blizzard operates the Accused Products
17 for internal testing and development. For example, Candy Crush Saga meets each and
18 every limitation of exemplary Claim 1 of the 635 Patent, for the reasons explained
19 herein, including the use of virtual currency acquired through a cash purchase and
20 subject to a multiplier, or through game play.

21 137. On information and belief, Activision Blizzard has induced and continues
22 to induce infringement of claims of the 635 Patent pursuant to 35 U.S.C. § 271(b),
23 including at least Claims 1, 2, 4, 6, 8, 9, 10, 14-16, 17, 18, 21, 22, 23, 25, 27, and 29, by
24 encouraging its customers and other third parties to make and use the claimed systems,
25 such as by installing and using the Accused Products to play games that utilize virtual
26 currency acquired through a cash purchase and subject to a multiplier, or through game
27 play.

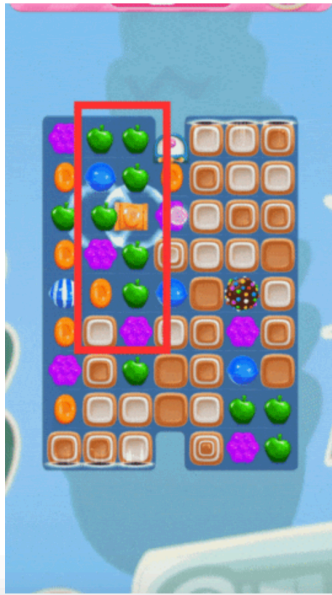
28 138. Such conduct constitutes infringement, literally or under the doctrine of

equivalents, of one or more claims of the 635 Patent by such third parties. Activision Blizzard's acts of encouragement include: providing and intending that third parties use the Accused Products to play games; purposefully and voluntarily placing the Accused Products that utilize virtual currency, in the stream of commerce with the expectation that they will be used by customers. For example, Activision Blizzard makes Candy Crush Saga available on "app stores" for iOS and Android, and on Facebook, so that users will download and play the game, resulting in infringement. As another example, Activision Blizzard provides FAQs and support documents explaining how to play Candy Crush Saga in a manner that results in infringement:

The Color Bomb might be the most Special Candy in the game! It will boost your gameplay, and it's great to tackle blockers and collect orders.

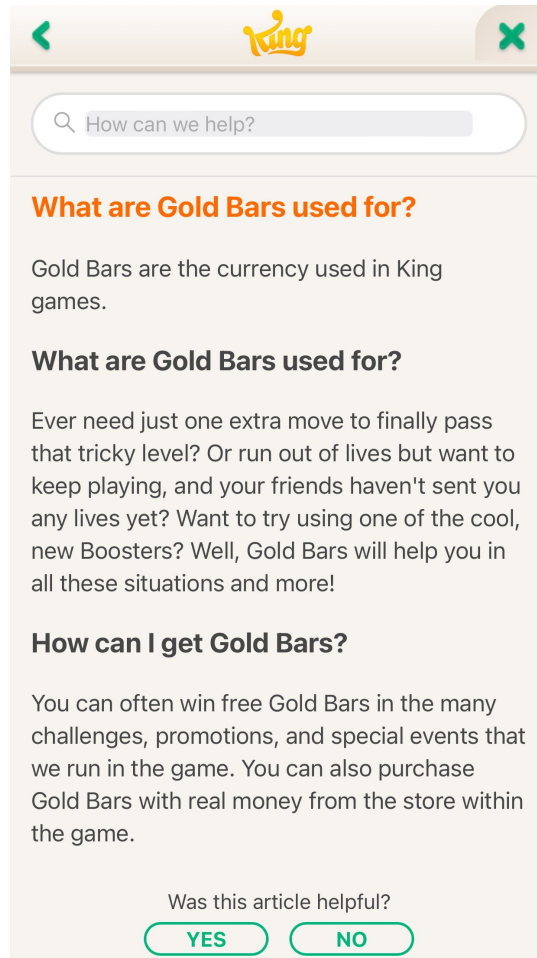
How can I create one?

To create a Color Bomb, just match five Candies in a row or column:



<https://candycrush.zendesk.com/hc/en-us/articles/13940218109469-Learn-all-about-the-Color-Bomb#%20>.

139. As another example, Activision Blizzard provides support and instruction in using Candy Crush Saga in a manner that infringes, including how to obtain and use vCoins through cash purchase or game play:



140. Furthermore, Activision Blizzard has actual knowledge of how the Accused Products infringe when used in this manner, including when they are used by customers. Activision Blizzard has undertaken these acts of encouragement with the specific intent that end-users use such Accused Products as intended by Activision Blizzard in a manner that infringes the asserted claims of the 635 Patent. Activision Blizzard proceeded in this manner despite its actual knowledge of the 635 Patent and that the specific actions it is actively inducing on the part of its customers and other third parties constitute infringement of the 635 Patent at least as of the date of filing and/or service of the Complaint in this matter. At the very least, because Activision Blizzard is on notice of the 635 Patent and the accused infringement, as of the date of the filing and/or service of this Complaint, it is willfully blind regarding the infringement it has induced and continues to induce.

141. Activision Blizzard's acts of infringement cause damage to Plaintiff, and

1 Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of
2 Activision Blizzard's infringement of the Asserted Patents, but in no event less than a
3 reasonable royalty.

4 142. Activision Blizzard's acts of infringement, unless restrained and enjoined,
5 will cause irreparable injury and damage to Plaintiff for which there is no adequate
6 remedy at law.

7 143. Activision Blizzard's infringement of the Asserted Patents is exceptional
8 and entitles Plaintiff to attorneys' fees and costs incurred in prosecuting this action under
9 35 U.S.C. § 285.

10 **X. COUNT V (INFRINGEMENT OF U.S. PATENT NO. 11,501,607)**

11 144. Plaintiff repeats and realleges the allegations in the preceding paragraphs
12 as though fully set forth herein.

13 145. Upon information and belief, Activision Blizzard has directly infringed at
14 least Claims 1, 2, 4, 6, 7, 11, 15, and 19 of the 607 Patent in violation of 35 U.S.C.
15 § 271(a), either literally or under the doctrine of equivalents, by making, using, selling,
16 and/or offering to sell in the United States without authority products which meet each
17 limitation of the asserted claims, namely, the Accused Products installed or operating on
18 a computing device, including operating servers to support the infringing game play. For
19 example, Activision Blizzard directly infringes at least these claims of the 607 Patent
20 when its software is installed on a computing platform, such as when Activision Blizzard
21 operates the Accused Products for internal testing and development. For example, Candy
22 Crush Saga meets each and every limitation of exemplary Claim 1 of the 607 Patent, for
23 the reasons explained herein, including the use of mandated and variable parameters to
24 dynamically alter the structure and/or prizing of games, and use of virtual currency
25 acquired through a cash purchase and subject to a multiplier, or through game play.

26 146. On information and belief, Activision Blizzard has induced and continues
27 to induce infringement of claims of the 607 Patent pursuant to 35 U.S.C. § 271(b),
28 including at least Claims 1, 2, 4, 6, 7, 11, 15, and 19, by encouraging its customers and

1 other third parties to make and use the claimed systems, such as by installing and using
2 the Accused Products to play games that utilize mandated parameters and variable
3 parameters to dynamically alter game play by altering the game structure or prizing
4 parameters based on analysis of game play by the computer system, and that utilize
5 virtual currency obtained either through cash purchase or game play.

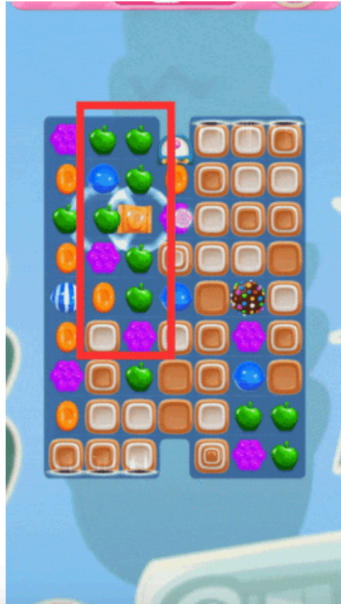
6 147. Such conduct constitutes infringement, literally or under the doctrine of
7 equivalents, of one or more claims of the 607 Patent by such third parties. Activision
8 Blizzard's acts of encouragement include: providing and intending that third parties use
9 the Accused Products to play games; purposefully and voluntarily placing the Accused
10 Products that utilize mandated parameters and variable parameters to dynamically alter
11 game play by altering the game structure or prizing parameters based on analysis of
12 game play by the computer system, and utilize virtual currency, in the stream of
13 commerce with the expectation that they will be used by customers.

14 148. Activision Blizzard's acts of encouragement include: providing and
15 intending that third parties use the Accused Products to play games; purposefully and
16 voluntarily placing the Accused Products that utilize mandated parameters and variable
17 parameters to dynamically alter game play by altering the game structure or prizing
18 parameters based on analysis of game play by the computer system, and utilize virtual
19 currency, in the stream of commerce with the expectation that they will be used by
20 customers. For example, Activision Blizzard makes Candy Crush Saga available on "app
21 stores" for iOS and Android, and on Facebook, so that users will download and play the
22 game, resulting in infringement. As another example, Activision Blizzard provides
23 FAQs and support documents explaining how to play Candy Crush Saga in a manner
24 that results in infringement:

The Color Bomb might be the most Special Candy in the game! It will boost your gameplay, and it's great to tackle blockers and collect orders.

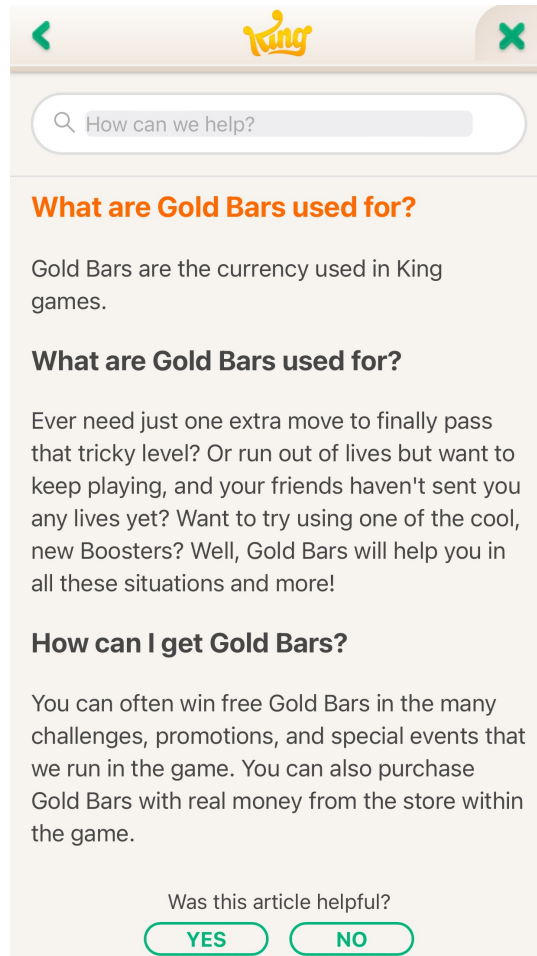
How can I create one?

To create a Color Bomb, just match five Candies in a row or column:



<https://candycrush.zendesk.com/hc/en-us/articles/13940218109469-Learn-all-about-the-Color-Bomb#%20>.

149. As another example, Activision Blizzard provides support and instruction in using Candy Crush Saga in a manner that infringes, including how to obtain and use vCoins through cash purchase or game play:



150. Furthermore, Activision Blizzard has actual knowledge of how the Accused Products infringe when used in this manner, including when they are used by customers. Activision Blizzard has undertaken these acts of encouragement with the specific intent that end-users use such Accused Products as intended by Activision Blizzard in a manner that infringes the asserted claims of the 607 Patent. Activision Blizzard proceeded in this manner despite its actual knowledge of the 607 Patent and that the specific actions it is actively inducing on the part of its customers and other third parties constitute infringement of the 607 Patent at least as of the date of filing and/or service of the Complaint in this matter. At the very least, because Activision Blizzard is on notice of the 607 Patent and the accused infringement, as of the date of the filing and/or service of this Complaint, it is willfully blind regarding the infringement it has induced and continues to induce.

151. Activision Blizzard's acts of infringement cause damage to Plaintiff, and

1 Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of
2 Activision Blizzard's infringement of the Asserted Patents, but in no event less than a
3 reasonable royalty.

4 152. Activision Blizzard's acts of infringement, unless restrained and enjoined,
5 will cause irreparable injury and damage to Plaintiff for which there is no adequate
6 remedy at law.

7 153. Activision Blizzard's infringement of the Asserted Patents is exceptional
8 and entitles Plaintiff to attorneys' fees and costs incurred in prosecuting this action under
9 35 U.S.C. § 285.

10 **XI. COUNT VI (INFRINGEMENT OF U.S. PATENT NO. 10,825,294)**

11 154. Plaintiff repeats and realleges the allegations in the preceding paragraphs
12 as though fully set forth herein.

13 155. Upon information and belief, Activision Blizzard has directly infringed at
14 least Claims 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 16, 17, 18, 19, and 20 of the 294 Patent in violation
15 of 35 U.S.C. § 271(a), either literally or under the doctrine of equivalents, by making,
16 using, selling, and/or offering to sell in the United States without authority products
17 which meet each limitation of the asserted claims, namely, the Accused Products
18 installed or operating on a computing device. For example, Activision Blizzard directly
19 infringes at least these claims of the 294 Patent when its software is installed on a
20 computing platform, such as when Activision Blizzard operates the Accused Products
21 for internal testing and development. For example, Candy Crush Saga meets each and
22 every limitation of exemplary Claim 1 of the 294 Patent, for the reasons explained
23 herein, including the use of virtual currency acquired through a cash purchase and
24 subject to a multiplier, or through game play.

25 156. On information and belief, Activision Blizzard has induced and continues
26 to induce infringement of claims of the 294 Patent pursuant to 35 U.S.C. § 271(b),
27 including at least Claims 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 16, 17, 18, 19, and 20, by encouraging
28 its customers and other third parties to make and use the claimed systems, such as by

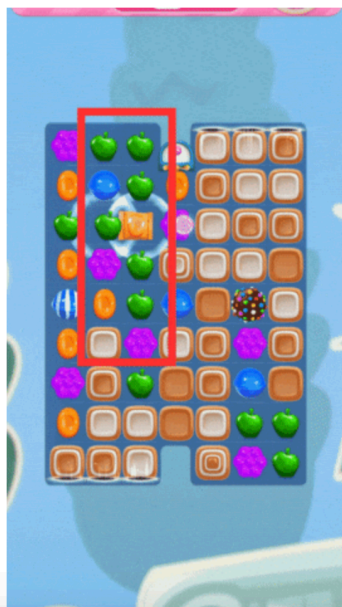
1 installing and using the Accused Products to play games that utilize virtual currency
2 acquired through a cash purchase and subject to a multiplier, or through game play. Such
3 conduct constitutes infringement, literally or under the doctrine of equivalents, of one or
4 more claims of the 294 Patent by such third parties.

5 157. Activision Blizzard's acts of encouragement include: providing and
6 intending that third parties use the Accused Products to play games; purposefully and
7 voluntarily placing the Accused Products that utilize virtual currency, in the stream of
8 commerce with the expectation that they will be used by customers. For example,
9 Activision Blizzard makes Candy Crush Saga available on "app stores" for iOS and
10 Android, and on Facebook, so that users will download and play the game, resulting in
11 infringement. As another example, Activision Blizzard provides FAQs and support
12 documents explaining how to play Candy Crush Saga in a manner that results in
13 infringement:

14
15 The Color Bomb might be the most Special Candy in the game! It will boost your gameplay, and it's great to tackle
blockers and collect orders.

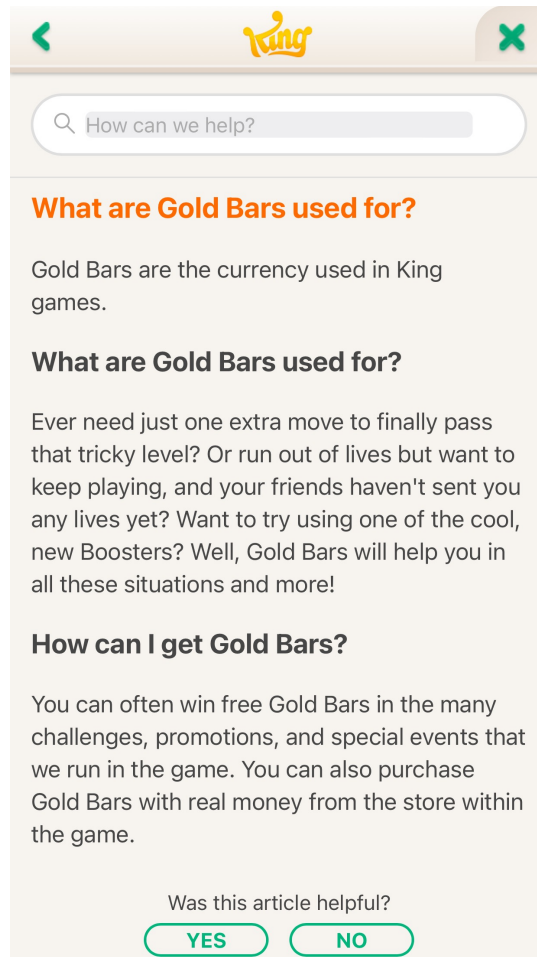
16 How can I create one?

17 To create a Color Bomb, just match five Candies in a row or column:



<https://candycrush.zendesk.com/hc/en-us/articles/13940218109469-Learn-all-about-the-Color-Bomb#%20>.

158. As another example, Activision Blizzard provides support and instruction in using Candy Crush Saga in a manner that infringes, including how to obtain and use vCoins through cash purchase or game play:



159. Furthermore, Activision Blizzard has actual knowledge of how the Accused Products infringe when used in this manner, including when they are used by customers. Activision Blizzard has undertaken these acts of encouragement with the specific intent that end-users use such Accused Products as intended by Activision Blizzard in a manner that infringes the asserted claims of the 294 Patent.

160. Activision Blizzard proceeded in this manner despite its actual knowledge of the 294 Patent and that the specific actions it is actively inducing on the part of its

customers and other third parties constitute infringement of the 294 Patent at least as of the date of filing and/or service of the Complaint in this matter. At the very least, because Activision Blizzard is on notice of the 294 Patent and the accused infringement, as of the date of the filing and/or service of this Complaint, it is willfully blind regarding the infringement it has induced and continues to induce.

161. Activision Blizzard's acts of infringement cause damage to Plaintiff, and Plaintiff is entitled to recover from Activision Blizzard damages sustained as a result of Activision Blizzard's infringement of the Asserted Patents, but in no event less than a reasonable royalty.

162. Activision Blizzard's acts of infringement, unless restrained and enjoined, will cause irreparable injury and damage to Plaintiff for which there is no adequate remedy at law.

163. Activision Blizzard's infringement of the Asserted Patents is exceptional and entitles Plaintiff to attorneys' fees and costs incurred in prosecuting this action under 35 U.S.C. § 285.

XII. JURY DEMAND

164. Plaintiff respectfully demands a jury trial on all issues and claims so triable.

XIII. PRAYER FOR RELIEF

165. WHEREFORE, Plaintiff respectfully requests this Court enter judgment in its favor and grant the following relief against Activision Blizzard:

- a) Judgment that Activision Blizzard infringed and continues to infringe the Asserted Patents;
- b) Award Plaintiff damages in an amount adequate to compensate Plaintiff for the infringement of the Asserted Patents by Activision Blizzard, but in no event less than a reasonable royalty under 35 U.S.C. § 284;
- c) Award Plaintiff pre-judgment and post-judgment interest to the full extent allowed under the law;
- d) Award Plaintiff costs;

- 1 e) Enter an order finding this to be an exceptional case and award Plaintiff
2 reasonable attorneys' fees pursuant to 35 U.S.C. § 285;
3 f) Order an accounting of damages; and
4 g) Award such other relief as the Court may deem appropriate and just under the
5 circumstances.

6
7 Dated: May 15, 2024

Respectfully submitted,

8 /s/ Matthew D. Powers

9 Matthew D. Powers (Bar No. 104795)
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11 William P. Nelson (Bar No. 196091)
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18 *Attorneys for Plaintiff*
19 *Milestone Entertainment, LLC*
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