UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 0:24-cv-61148

INNOVATIVE GAMING CONCEPTS LLC, a Florida Limited Liability Company,

Plaintiff,

v.

JACKPOT DIGITAL INC., a Canadian Corporation, JACKPOT DIGITAL (NV), INC., a Nevada corporation, KALPAKIAN BROS OF BC. LTD., and HAGOP JACK (JAKE) KALPAKIAN, AN INDIVIDUAL,

Defendants.

AMENDED COMPLAINT

Plaintiff, INNOVATIVE GAMING CONCEPTS LLC, a Florida Limited Liability Company (hereinafter "Innovative Gaming" or "Plaintiff"), by and through the undersigned counsel, hereby files this Amended Complaint against Defendant, JACKPOT DIGITAL INC., a Canadian Corporation (hereinafter "Jackpot Digital CA"), JACKPOT DIGITAL (NV), INC., a Nevada Corporation (hereinafter "Jackpot Digital NV"), KALPAKIAN BROS OF BC. LTD., a Canadian Corporation (hereinafter "Kalpakian Bros."), and HAGOP JACK (JAKE) KALPAKIAN (hereinafter "Kalpakian"), wherein Jackpot Digital CA, Jackpot Digital NV, Kalpakian Bros., and Kalpakian are collectively referred to as Defendants.

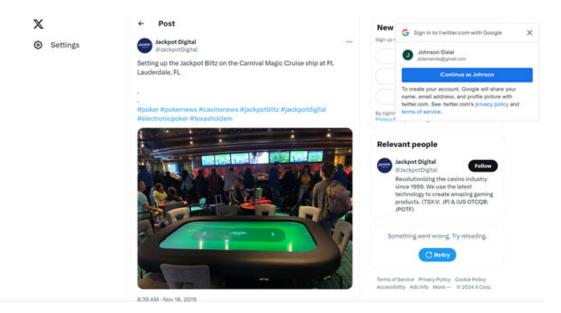
JURISDICTION, VENUE, AND THE PARTIES

- 1. This is a civil action which is, *in part*, brought pursuant to the Patent Laws of the United States, 35 U.S.C. §§ 271, *et. seq*.
- 2. The Court has original jurisdiction pursuant to 28 U.S.C. § 1331, as this case involves a federal question arising under the Constitution, laws, or treaties of the United States.

- 3. The Court also has original jurisdiction pursuant to 28 U.S.C. § 1400 and 28 U.S.C. § 1332(a) because this is a civil action for patent infringement and there is diversity of citizenship between Plaintiff, which is incorporated in and a citizen of the State of Florida, and each of the Defendants, and the amount in controversy exceeds the sum or value of \$75,000.
- 4. Innovative Gaming is a Florida Limited Liability Company with its principal address located in Lake Worth, Florida and regularly transacts business within this district.
- 5. Brian P. Birkenmeyer ("Mr. Birkenmeyer") is the managing member and owner of Innovative Gaming.
- 6. At all times material hereto, Jackpot Digital CA was and is a Canadian corporation headquartered in Vancouver, British Columbia that is believed to be operating in the state of Florida and engaged in the conduct of interstate commerce within the United States, including in this judicial district, and is otherwise *sui juris*.
- 7. Jackpot Digital CA is an electronic table games ("ETG") manufacturer and mobile gaming provider for the cruise ship industry and regulated casino industry, specializing in multiplayer gaming products, including poker and casino games.
- 8. Jackpot Digital CA is believed to be owned and operated by Kalpakian, wherein the decision to utilize, sell, advertising, or manufacturer the ETGs, including those falling under the "Accused Products" (defined herein), is ultimately made by Kalpakian.
- 9. Kalpakian, through the filing of the Answer on behalf of Jackpot Digital CA and otherwise engaging in litigation within this judicial district has consented to (or otherwise waived the right to contest) to the personal jurisdiction and/or venue against Kalpakian, Jackpot Digital NV, Kalpakian Bros. in this judicial district.

- 10. Since at least September of 2019, Jackpot Digital CA has been engaged in federal interstate commerce, i.e., purposefully and intentionally using, manufacturing, importing, marketing and selling electronic table games and mobile games directed to consumers around the world, including consumers within the Southern District of Florida, wherein said products include the electronic table game "Jackpot Blitz" featuring a "Bet the Flop" side bet (the "Accused Products") and a Bad Beat Progressive Jackpot side bet which infringe on U.S. Patent No. 10,475,289 ("the '289 Patent").
- 11. Since at least September of 2019, Kalpakian Bros. has been engaged in federal interstate commerce, i.e., facilitating in the purposefully and intentionally using, manufacturing, importing, marketing and selling the Accused Products, which infringe on the '289 Patent (defined herein) by virtue of a contract executed with Jackpot Digital CA to be its management service provider. Kalpakian is believed to be the owner and president and CEO of Kalpakian Bros., wherein the decision to utilize, sell, advertising, and/or manufacturer the ETGs, including those falling under the Accused Products, is ultimately made by Kalpakian and with knowledge of the '289 Patent and that the Accused Products infringe the '289 Patent.
- 12. Jackpot Digital NV is believed to be a U.S. corporation that funnels through profits from sales of the Accused Products and/or is utilized to facilitate in the using, manufacturing, importing, marketing and/or selling of the Accused Products. Kalpakian is believed to be the owner and president and CEO of Jackpot Digital NV, wherein the decision to utilize, sell, advertising, or manufacturer the ETGs, including those falling under the Accused Products, is ultimately made by Kalpakian and with knowledge of the '289 Patent and that the Accused Products infringe the '289 Patent.

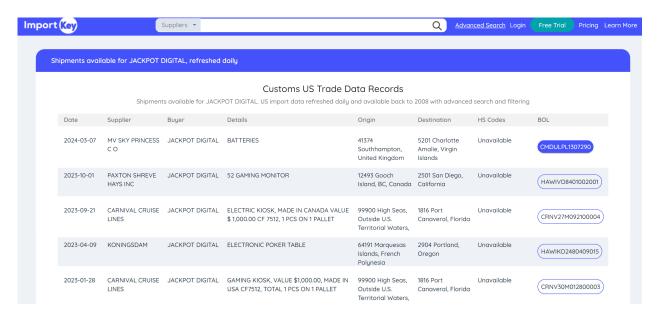
13. More specifically, on or around November 18, 2019, one or more of the Defendants installed, utilized, or otherwise profited from the Accused Products on the Carnival Magic cruise ship in Fort Lauderdale, Florida, and promoted the same on its X (formerly Twitter) page. *See* ECF No. 1-1 (a true and accurate screen capture) and below.

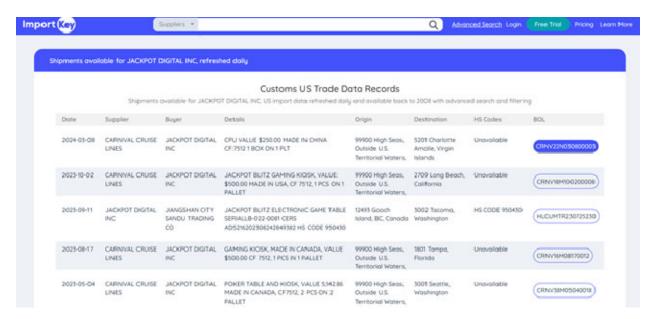


14. On or around January 22, 2020, one or more of the Defendants installed, utilized, or otherwise profited from the Accused Products on the Carnival Liberty cruise ship in Orlando, Florida, and promoted the same on its Facebook page. *See* ECF No. 1-2 (a true and accurate screen capture) and below.



15. Publicly available import and export records also indicate that Jackpot Digital CA continues to manufacture and import what, on information and belief, are the Accused Products throughout Florida including in Tampa and Port Canaveral. *See* ECF No. 1-3 (a true and accurate screen capture) and below.





- 16. In view of the foregoing, at all times material hereto, the Defendants were and are engaged in the conduct of interstate commerce of the Accused Products within the United States, including directly or indirectly regularly conducting business in this judicial district.
- 17. The Accused Products are being used, marketed, and/or sold by one or more of the Defendants to Florida consumers through third parties like Carnival Cruise Lines who have installed the Jackpot Blitz tables on their cruise ships and are believed to market, advertise, use, and/or offer for sale the Accused Products to consumers within this judicial district.
- 18. Upon information and belief, at least a portion of the funds received by one or more of the Defendants through the Accused Products are from consumers/users within the state of Florida.
- 19. On July 16, 2019, Birkenmeyer emailed Kalpakian placing him on notice of Innovative Gaming's patent, trademark, and copyright protected side bets—namely, Hold'em + 3 and Next Step Blackjack, side bets for Texas Hold'em and Blackjack, respectively. See ECF No. 1-4. Birkenmeyer invited Kalpakian to a discussion of a possible licensing arrangement between the two companies, but no response was received.
- 20. Exactly two months later, on September 16, 2019, one or more of the Defendants released a news release announcing the offering of two major new gameplay features—a Bad Beat Progressive Jackpot and a house-banked side bet called "Bet the Flop", i.e., the Accused Products—on Jackpot Digital's "Jackpot Blitz" electronic table game platform. *See* ECF No. 1-5.
- 21. The two new features were touted as "hav[ing] increased product revenue per table by more than 10% year over year through two (2) months of operation." *Id*.
- 22. On or around December 17, 2019, a cease-and-desist correspondence from the undersigned firm was sent directly or indirectly to Defendants alleging, among other things, that

the Accused Products infringed the '289 Patent, entitled "Method, System, and Device for Conducting a Side Bet for a Poker Game", owned by Innovation Gaming and issued on November 12, 2019. *See* ECF No. 1-6 (first cease-and-desist correspondence); *See* ECF No. 1-7 (true and correct copy of the '289 Patent).

- 23. A second cease-and-desist correspondence was remitted to Jackpot Digital on or around February 24, 2023. *See* ECF No. 1-8 (second cease-and-desist correspondence).
- 24. Over the next six months, Birkenmeyer and Kalpakian (and their respective attorneys, agents, and representatives) engaged in extensive settlement discussions and negotiations involving the prospective licensing of the '289 Patent to one or more of the Defendants.
- 25. However, Kalpakian subsequently became non-responsive and any continued settlement and licensing discussions ceased.
- 26. The Defendants did not cease using, importing, manufacturing, offering, and/or selling the Accused Products after the Parties' settlement and licensing discussions fell through, and has used (and continues to use) the Accused Products without Innovative Gaming's permission, consent, or authorization as of the undersigned date.
- 27. In fact, on or around October 11, 2023, released a press release announcing that it had received multiple certifications from Gaming Labs International ("GLI") for Jackpot Digital's Next Generation Jackpot Blitz® dealer-less electronic multiplayer poker tables, paving the way for "land-based installations or orders for 36 tables in 11 states and territories in the U.S. and growing, including California, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nevada, Oregon, South Dakota, U.S. Virgin Islands, Washington as well as several international jurisdictions." *See* ECF No. 1-9.

- 28. Said differently, one or more of the Defendants are actively and aggressively expanding its use and sale of the Accused Products without Innovative Gaming's permission, consent, authorization, or duly issued license.
- 29. Venue also is proper in this judicial district under 28 U.S.C. § 1400 because Defendants have committed acts of infringement in this judicial district and has a regular and established place of business in this judicial district, as demonstrated by its continued use, marketing, manufacturing, importing, offering for sale, and/or sale of the Accused Products to consumers located in Florida and, more specifically, in this judicial district. Defendants intentionally made a decision to transact business and litigate this case (on behalf of their principal and controlling individual, Kalpakian, in the state of Florida and is subject to the Court's personal jurisdiction.
 - 30. All conditions precedent have been met, waived, or satisfied to bring this lawsuit.

GENERAL ALLEGATIONS

- 31. Innovative Gaming specializes in designing, developing, and manufacturing proprietary casino table games and side bets which are designed to not only provide a fun and exciting user experience for players but to also increase profitability per hand for casino operators. *See, e.g.*, www.innovativegamingconcepts.com.
- 32. Innovative Gaming's table games and side bets are patent- and copyright-protected while the pay tables and mathematics of the products are certified by BMM Testlabs.
- 33. Innovative Gaming licenses and distributes its proprietary games to online casinos, land-based casinos, and cruise ships worldwide.
- 34. Innovative Gaming has invested significant resources, e.g., time and money, in commercially developing, marketing, selling, and licensing its proprietary products.

- 35. Defendants and Innovative Gaming are direct competitors in the casino industry.
- 36. The '289 Patent was assigned to Innovative Gaming before the filing of this lawsuit.
- 37. The invention described in at least independent claims 1 and 5 of the '289 Patent is specifically directed toward a device and method for unconventionally utilizing a display and controller to carry out an unconventional side game associated with a base game to a player, wherein the method being facilitated by a game controller including processing devices, servers and data storage devices, and configured to communicate with a remote user device. *See* ECF No. 1-7, at 5-6.
 - 38. Claim 1 of the '289 Patent, by way of example, is recited below:
 - 1. An electronic device for displaying a side game associated with a base game to a player, comprising: a display device; a user input device configured to generate a signal indicative of a player's selection input; a wager input device configured to receive information relating to a monetary value enabled for wagering in the game; and at least one gaming controller in communication with a source of randomly generated game data for providing random game outcomes used in a base game, the display device and the user input device, said at least one gaming controller being operative to:

detect wagering input via the wager input device, the wagering input relating to one or both of a wager in the base game and wager in the side game;

the game controller in communication with the source of randomly generated game data causing the display of standard playing cards of varying rank to form hands and a group of community playing cards in the base game on the display device;

the game controller determining the outcome of the side game, wherein the outcome of the side game is determined by comparing the first three community playing cards with one or more preset combinations of playing cards;

awarding a payout to the players from which a side bet is received responsive to the payout triggering event being triggered by the comparison;

maintaining the side bets received in a pot to be made available for the next side game responsive to the group of community playing cards receiving less than a preset number of playing cards in the base game; and

assigning a portion of the side bets received to a progressive jackpot and/or collecting the remainder as a loss responsive to the payout triggering event not being triggered.

- 39. Claim 5 of the '289 Patent, by way of example, is recited below:
- 5. A method for displaying a side game associated with a base game to a player, the method being facilitated by a game controller including processing devices, servers and data storage devices, configured to communicate with a remote user device, such as a mobile phone, personal computer or tablet, over a global communication network, such as the Internet, the method comprising the steps of:

the game controller being configured to receive and detect signals indicative of players' selections input entered into through the remote user device, detecting a wager being input by the player, wherein the wager may be for real money or virtual currency;

the game controller, in communication with a source of randomly generated game data for providing random game outcomes used in a base game, causing the display of standard playing cards of varying rank to form hands and a group of community playing cards in the base game on the remote user device;

the game controller determining the outcome of the side game, wherein the outcome of the side game is determined by comparing the first three community playing cards with one or more preset combinations of playing cards;

the game controller awarding a payout to the players from which a side bet is received responsive to the payout triggering event being triggered by the comparison, wherein the payout may be added to the players' respective virtual currency;

the game controller maintaining the side bets received in a pot to be made available for the next side game responsive to the group of community playing cards receiving less than a preset number of playing cards in the base game; and

the game controller assigning a portion of the side bets received to a progressive jackpot and/or collecting the remainder as a loss responsive to the payout triggering event not being triggered.

- 40. On December 17, 2019, the cease-and-desist letter was sent to and received by one or more of the Defendants, wherein said letter described how and why the Accused Products infringed the '289 Patent. *See* Exhibit F.
- 41. More specifically, below are true and accurate marketing materials and images relating to the Accused Products that are annotated with claim terms for the purposes of illustrating infringement of the '289 Patent. See Exhibit J.



An electronic device for displaying a side game associated with a base game to a player, comprising a display device, a user input device, a wager input device, and at least one gaming controller



Monetize Downtime with Exciting Side Bets and Mini Games

Poker is a skill game with significant player downtime during and between hands. Our suite of house banked mini games and side bets are available for simultaneous play, meaning players are engaged 100% of their time at the table. Anyone with a seat at a Jackpot Blitz® table can play blackjack, baccarat, video poker, and place side bets on Texas Hold'em and Omaha poker games.









Player Benefits



75" 4K ultra-sensitive playing surface



Responsive to authentic hand gestures



Play multiple games simultaneously



Fast, efficient error free game play



Excitement and authenticity of live poker



and fun to play

Operator Benefits



Automated Dealer



Ticket-In-Ticket-Out Payments



Modern and stylish design



Isolated server mitigates security threats



Easy table and tournament management via back-end system



SAS for integration with most casino management systems

Processing devices, servers and data storage devices, configured to communicate with a remote user device

- 42. Despite having actual knowledge of the '289 Patent and infringement of the same, including after knowledge of this lawsuit, one or more of the Defendants have continued to sell, offer, manufacture, use, import, and/or market the Accused Products in a willfully infringing manner.
- 43. As a direct result of the actions of one or more of the Defendants, Innovative Gaming has retained the services of counsel, and is obligated to pay its counsel all attorneys' fees and costs associated with the investigation, preparation, and prosecution of the instant lawsuit.
- 44. It is believed that Kalpakian controls Jackpot Digital NV and Kalpakian Bros. and otherwise utilizes said entities in order escape personal liability for this infringing action.
- 45. Innovative Gaming has complied with and met all conditions precedent and concurrent to the bringing of this action, or all conditions precedent and concurrent to the bringing of this action have been waived or excused by Jackpot Digital's conduct.

COUNT I - WILLFUL DIRECT INFRINGEMENT OF U.S. PATENT NO. 10,475,289

- 46. Innovative Gaming realleges and revers paragraphs one (1) through forty five (45) as if fully set forth herein.
 - 47. This is an action for direct patent infringement pursuant to 35 U.S.C. § 271(a).
- 48. Defendants have directly infringed, and continue to infringe, at least claims 1 and 5 of the '289 Patent, by, *at least*, selling, offering, manufacturing, using, importing, and/or marketing the Accused Products in the United States.
- 49. Specifically, Defendants have infringed, literally and under the doctrine of equivalents, claims 1 and 5 of the '289 Patent by selling, offering, manufacturing, using, importing, and marketing the Accused Products that include all elements recited within claims 1

and 5 of the '289 Patent and/or that include a structure and methodology that has the same function or purposes of the structure and methodology recited in claims 1 and 5 of the '289 Patent.

- 50. As set forth above, Defendants had knowledge of the '289 Patent, the products that infringed the '289 Patent, how the Accused Products infringed the '289 Patent, and the consequences of infringement; yet, Defendants continued to sell, offer, manufacture, use, import, and market the Accused Products and/or has instructed its consumers to utilize the Accused Products in an infringing manner, thereby indirectly infringing the '289 Patent.
- 51. All such infringing conduct of the '289 Patent by Defendants has occurred and was committed in a willful manner.
- 52. Defendants has caused, and continues to cause, irreparable harm to Innovative Gaming and its owner for which there is no adequate remedy at law.
- 53. Defendants' conduct in this instance is exceptional, and, as such, Innovative Gaming should be entitled to recover its attorneys' fees in this action pursuant to 35 U.S.C. § 285 which provides that the "court in exceptional cases may award reasonable attorney fees to the prevailing party."

COUNT II – INDIRECT INFRINGEMENT OF U.S. PATENT NO. 10,475,289

- 54. Innovative Gaming realleges and revers paragraphs one (1) through forty five (45) as if fully set forth herein.
 - 55. This is an action for indirect patent infringement pursuant to 35 U.S.C. § 271(b).
- 56. Defendants have indirectly infringed, and continues to infringe, at least claims 1 and 5 of the '289 Patent, by actively inducing third parties into purchasing, installing, and using the Accused Products and directly infringing at least claims 1 and 5 of the '289 Patent.

- 57. Specifically, Defendants have sold, marketed, installed, and/or profited from the Accused Products on the Carnival Magic cruise ship in Fort Lauderdale, Florida, on the Carnival Liberty cruise ship in Orlando, Florida, and, upon information and belief, on countless other cruise ships, hotels, and casinos throughout the United States and within this judicial district.
- 58. The use of the Accused Products by said cruise ships, hotels, and casinos directly infringes, literally and under the doctrine of equivalents, at least claims 1 and 5 of the '289 Patent.
- 59. As set forth above, Defendants had actual knowledge of the '289 Patent, the products that infringed the '289 Patent, how the Accused Products infringed the '289 Patent, and the consequences of infringement; yet, Defendants continued to sell, manufacture, use, import, and market the Accused Products and/or has instructed its consumers to purchase, install, and utilize the Accused Products in an infringing manner, thereby indirectly infringing the '289 Patent.
- 60. All such infringing conduct of the '289 Patent by Defendants has occurred and was committed in a willful manner.
- 61. Specifically, Defendants knowingly induced the infringement and possessed the specific intent to encourage said infringement, as demonstrated by the fact that Defendants was placed on actual notice of the infringing nature of the Accused Products on at least three occasions (including via the two cease-and-desist letters Defendant received) and engaged in extensive and protracted licensing discussions with Innovative Gaming after receiving said letters yet thereafter became unresponsive and continued to offer, sell, market, and install the Accused Products in various cruise ships, hotels, and casinos, and actively induce said

establishments (and their patrons) into installing and/or using the Accused Products in a manner that directly infringes at least claims 1 and 5 of the '289 Patent.

- 62. Defendants have caused, and continues to cause, irreparable harm to Innovative Gaming and its owner for which there is no adequate remedy at law.
- 63. Defendants' conduct in this instance is exceptional, and, as such, Innovative Gaming should be entitled to recover its attorneys' fees in this action pursuant to 35 U.S.C. § 285 which provides that the "court in exceptional cases may award reasonable attorney fees to the prevailing party."

PRAYER FOR RELIEF

WHEREFORE, Innovative Gaming, by and through the undersigned, hereby respectfully demands judgment against the Defendants, wherein said judgment should include provisions:

- a) enjoining Defendants and all of those acting in concert with it, including, but not limited to, its agents, affiliates, subsidiaries, officers, directors, attorneys and employees from using, making, selling, marketing, importing, or offering to sell the Accused Products, and all colorable imitations thereof:
- b) issuing a declaration or order finding the Accused Products are infringing at least claims 1 and 5 of the '289 Patent;
- c) compensating Innovative Gaming for the full amount of damages sustained, including, but not limited to, any and all damage remedies available pursuant to the Patent Laws of the United States, 35 U.S.C. §§ 271, et. seq., which include, but are not limited to a reasonable royalty award;
- d) declaring this case exceptional, trebling all damages awarded to Innovative Gaming, and awarding Innovative Gaming its attorneys' fees under 35 U.S.C. § 285;
- e) imposition of all pre and post judgment interest at the maximum allowable rate on the full compensatory and trebled amount awarded to Innovative Gaming;
- f) awarding remuneration of all attorneys' fees, costs and expenses for Innovative Gaming having to investigate, prepare and prosecute this action; and

g) for such further and additional relief the Court deems just and proper under the circumstances.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(d) of the Federal Rules of Civil Procedure, Innovative Gaming hereby demands trial by jury of all issues so triable as a matter of law.

Respectfully submitted,

/s/ Mark C. Johnson

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