

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

**SUPERIOR COURT
(CLASS ACTION CHAMBER)**

No: 500-06-001132-212

GABRIEL BOURGEOIS

Petitioner

-vs.-

ELECTRONIC ARTS INC.,

et al.

Respondents

**APPLICATION FOR PERMISSION TO AMEND THE AMENDED APPLICATION FOR
AUTHORIZATION TO INSTITUTE A CLASS ACTION &
TO OBTAIN THE STATUS OF REPRESENTATIVE PLAINTIFF
(Art. 585 C.C.P.)**

**TO THE HONOURABLE JUSTICE STÉPHANE LACOSTE, J.S.C., APPOINTED TO PRESIDE
IN THE PRESENT MATTER, SITTING IN AND FOR THE DISTRICT OF MONTRÉAL, THE
APPLICANT STATES THE FOLLOWING:**

Background

1. On March 2, 2021, Applicant filed an “*Application for Authorization to Institute a Class Action & to Obtain the Status of Representative Plaintiff*” (**Original Authorization Application**).
2. In brief, the class action seeks to hold the respondents accountable their loot box gaming systems that, properly construed, are unlawful conduct that is contrary to the Criminal Code of Canada.
3. On or about October 25, 2021, the Applicant sought leave to file an “*Amended Application to Institute a Class action & to Obtain the Status of Representative Plaintiff*” (**Amended Authorization Application**). The amendment sought to modify the class description to remove individuals already included in parallel class actions in British Columbia.
4. Also, on or about October 25, 2021, the Applicant and the Respondents exchanged communications regarding the possible modification of paragraphs 44 to 47 the claim

regarding applicable law in order to be consistent with the sought amended class description. These minor modifications were not formally requested of this Honourable Court at that time.

5. By judgment dated December 7, 2021, this Honourable Court partially granted the Applicant's motion to amend the Original Authorization Application and modified the proposed class to the following:

All Canadian customers of the Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this *Application for Authorization* between 2008 and the date this action is authorized as a class proceeding, except such Canadian customers otherwise already included in class description in either one of the following cases *Cunningham et al v. Activision Blizzard Inc. et al* SCBC S-2013414, *Lussier et al v. Scopely Inc.*, SCBC S-2013510, *Pechnik et al v. Take-Two Interactive Software Inc. et al*, SCBC S-211073, *Sutherland v. Electronic Arts Inc. et al*, SCBC S-209803, *Petty et al v. Ninantic Inc. et al*, SCBC S-213723.

Jurisdiction Application - Overview

6. On or about December 22 and 23, 2021, all of the Respondents except for Ubisoft Entertainment SA., Ubisoft Inc., and Ubisoft Entertainment Inc. filed declinatory motions raising the issue of the Superior Court of Quebec does not have jurisdiction to hear and adjudicate the claims of members of the proposed class who are non-residents of Quebec.
7. On or about May 3, 2022, the Respondents delivered their "*Joint Plan of Argument in Support of Foreign Respondents' Application for Declinatory Exceptions for Lack of Jurisdiction Over National Class*" setting out their argument and authorities in support of their position that non-Quebec residents should be excluded from the proposed class for lack of jurisdiction of the Superior Court of Quebec.
8. After careful review of the position and authorities in support, the Applicant seeks leave to amend the Amended Authorization Application to:
 - a. Modify the class description to remove individuals who are not residents of the province of Quebec for claims made against the following Respondents:
 - i. Epic Games Inc. et Epic Games Canada ULC
 - ii. King Digital Entertainment Group Inc. and King.com Ltd
 - iii. Microsoft Corporation et Microsoft Canada Inc.
 - iv. Niantic Inc.;
 - v. Scopely Inc.;
 - vi. Take Two Interactive Software Inc., Take Two Interactive Canada Holdings Inc., 2K Games Inc. and Rockstar Games Inc.
 - vii. Zynga Inc. et Zynga Game Canada Ltd

- b. Provide additional factual context and exhibits to support and complete existing allegations related to the business activities carried out by the following Respondents at their establishments in Quebec:
 - i. Activision and Blizzard (Activision Blizzard Inc., Activision Publishing Inc., and Blizzard Entertainment Inc.)
 - ii. Electronic Arts (Electronic Arts Inc. and Electronic Arts (Canada) Inc.); and
 - iii. WB Games (Warner Bros. Entertainment Inc., Warner Bros Entertainment Canada Inc. et Warner Bros. Home Entertainment Inc.)
 - c. Following the communications between the Applicant and the Respondents in October 2021, produce minor modifications to paragraphs 44 to 47 to update the language regarding applicable law to correspond with the Amended proposed class description.
9. The proposed amendments are set out in “*Amended (2) Application to Institute a Class action & to Obtain the Status of Representative Plaintiff*” (**Amended (2) Authorization Application**), included as Exhibit R-1.
 10. The Applicant notes that, except for the proposed modification set out above in item 8.a., this document is identical to the document communicated to the attention of this Honourable Court via email on May 18, 2022.
 11. Each of the amendments have been proposed in the best interest of the class members, does not delay the proceeding and are in accordance with the overarching principle of proportionality.
 12. The proposed amendments, which are detailed below, are also proposed in the best interest of judicial economy with the intention of resolving in Quebec, where possible and where the jurisdiction of the Superior Court of Quebec allows, all the common legal and factual issues shared by Canadians, whether they reside within or outside of the province of Quebec.

Modification of the proposed class definition against some respondents

13. First, the proposed Amended (2) Application seeks to modify the definition of the proposed class as follows (proposed modifications are underlined):

Amended Authorization Application, December 7, 2021	Amended (2) Authorization Application, Exhibit R-1
4. Petitioner seeks to institute a class action on behalf of the following group, of which he is a member, namely:	4. Petitioner seeks to institute a class action on behalf of the following group, of which he is a member, namely:

All Canadian customers of the Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this *Application for Authorization* between 2008 and the date this action is authorized as a class proceeding, except such Canadian customers otherwise already included in class description in either one of the following cases *Cunningham et al v. Activision Blizzard Inc. et al* SCBC S-2013414, *Lussier et al v. Scopely Inc.*, SCBC S-2013510, *Pechnik et al v. Take-Two Interactive Software Inc. et al*, SCBC S-211073, *Sutherland v. Electronic Arts Inc. et al*, SCBC S-209803, *Petty et al v. Ninantic Inc. et al*, SCBC S-213723.

All Canadian customers of the National-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this *Application for Authorization* between 2008 and the date this action is authorized as a class proceeding, except such Canadian customers otherwise already included in class description in either one of the following cases *Cunningham et al v. Activision Blizzard Inc. et al* SCBC S-2013414, *Lussier et al v. Scopely Inc.*, SCBC S-2013510, *Pechnik et al v. Take-Two Interactive Software Inc. et al*, SCBC S-211073, *Sutherland v. Electronic Arts Inc. et al*, SCBC S-209803, *Petty et al v. Ninantic Inc. et al*, SCBC S-213723.

(the “National Class,” “National-class Members” and “Class Period”)

All Quebec customers of the Quebec-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this Application for Authorization between 2008 and the date this action is authorized as a class proceeding.

(the “Quebec Class,” “Quebec-class Members” and “Class Period”)

4.1. The following Respondents will be defined collectively as the National-class Loot Box Respondents:

- a) Ubisoft (Ubisoft Entertainment SA., Ubisoft Inc., Ubisoft Entertainment Inc. / Ubisoft Divertissements Inc.)
- b) Activision and Blizzard (Activision Blizzard Inc., Activision Publishing Inc., and Blizzard Entertainment Inc.)
- c) Electronic Arts (Electronic Arts Inc. and Electronic Arts (Canada) Inc.)
- d) WB Games (Warner Bros. Entertainment Inc., Warner Bros Entertainment Canada Inc. et Warner Bros. Home Entertainment Inc.)

4.2. The following Respondents will be defined collectively as the Quebec-class Loot Box Respondents:

- a) Epic Games Inc. et Epic Games Canada ULC
- b) King Digital Entertainment Group Inc. and King.com Ltd
- c) Microsoft Corporation et Microsoft Canada

	<u>Inc.</u> d) <u>Niantic Inc.</u> e) <u>Scopely, Inc.</u> f) <u>Take Two Interactive Software Inc., Take Two Interactive Canada Holdings Inc., 2K Games Inc. and Rockstar Games Inc.</u> g) <u>Zynga Inc. et Zynga Game Canada Ltd</u>
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14. This proposed class definition serves to acknowledge that at this time the Applicant is not aware of and does not have information that would serve to demonstrate that the Superior Court of Quebec has jurisdiction to adjudicate the claims of non-residents made against the following Respondents:

- a. Epic Games Inc. et Epic Games Canada ULC
- b. King Digital Entertainment Group Inc. and King.com Ltd
- c. Microsoft Corporation et Microsoft Canada Inc.
- d. Niantic Inc.;
- e. Scopely Inc.;
- f. Take Two Interactive Software Inc., Take Two Interactive Canada Holdings Inc., 2K Games Inc. and Rockstar Games Inc.
- g. Zynga Inc. et Zynga Game Canada Ltd

15. This proposed modification renders moot the application, brought by the respondents noted in paragraph 14, for a declinatory exception for lack of national jurisdiction.

Additional factual and evidentiary context for remaining national class respondents

16. Second, the proposed Amended (2) Application includes additional factual context and exhibits, related to the business activities carried out by the Electronic Arts, Activision and Warner Brothers Respondents at their establishments in the province of Quebec, all of which are relevant to the Court’s analysis of the authorization criteria set out at article 585 C.C.P.

17. These additions and modifications serve to crystalize conduct giving rise to national jurisdiction under article 3148 par. 1(2) C.C.Q. More specifically, the proposed amendments:

- a. Identify the Respondents’ business establishments in the province of Quebec;
- b. Provide additional details regarding the business activities carried out by these Respondents at their Quebec establishments;
- c. Offer examples of the Respondents’ business activities at their establishments in the province of Quebec, which affect residents throughout all of Canada, that are related to the wrongful conduct giving rise to the proposed class member’s claims;
- d. Provide additional details regarding the wrongful conduct giving rise to the proposed class member’s claims;

18. Despite these additions, which complete and elucidate the Applicant's Original Authorization Application regarding the activities carried out by these Respondents in the province of Quebec, the factual and legal basis for the proposed class action is fundamentally unchanged.

Other minor modification to applicable law

19. Third, the proposed Amended (2) Application slightly adjusts language in paragraphs 44 to 47 of the claim as follows:

- a. In paragraphs 44, 45, and 47: the phrase "and all other related legislation in each Canadian province" is modified to read "and all other related legislation in each Canadian province subject to the scope of this action".
 - b. In paragraph 46: the wording "contrary to *inter alia* each provincial Consumer Protection Act" is modified to read instead "contrary to *inter alia* the above provincial Consumer Protection Acts
 - c. In paragraph 45, the reference to the British Columbia consumer protection legislation is removed.
20. These proposed modifications remove any ambiguity regarding overlap with the parallel class actions in British Columbia while maintaining open language to ensure the best interests and rights of absent class members from other Canadian provinces remain protected.

Conclusion

21. The proposed amendments are limited in scope and do not constitute new claims. Rather, they provide further particulars and evidence in support of the claims already asserted in the Original Application and Amended Authorization Application.
22. The proposed modifications will simplify the debate over jurisdiction by narrowing the class description for the majority of Respondents'.
23. The potential class members' interests are better protected by the proposed Amended (2) Application as it provides further details surrounding the activities in Quebec carried out by Activision and Blizzard, Electronic Arts and WB Games, which if sufficient to demonstrate the jurisdiction of the Superior Court would avoid other proceedings in other provinces on the same factual and legal issues as are at the heart of this proposed class action.
24. In addition, it is anticipated that the details surrounding the activities of Activision and Blizzard, Electronic Arts and WB Games in the Province of Quebec are details already well known to these Respondents, and therefore these details serve to further enlighten this Honourable Court without any prejudice the rights of any of the parties to this litigation.

25. Given that the proposed class action has not yet been authorized, permitting these amendments would not run contrary to the interests of justice and would be in accordance with the principle of proportionality.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the Applicant's Application for permission to amend their "Amended Application for Authorization to Institute a Class Action & to Obtain the Status of Representative Plaintiff"

ALLOW Applicant to amend the "Amended Application for Authorization to Institute a Class Action & to Obtain the Status of Representative Plaintiff", as set forth in amended application communicated as Exhibit R-1.

THE WHOLE without costs.

Montréal, May 27, 2022



Irwin Liebman
Liebman Légal Inc.
Attorneys for the Petitioner

Exhibit R-1

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-06-001132-212

**SUPERIOR COURT
(CLASS ACTION CHAMBER)**

GABRIEL BOURGEOIS, natural
person, residing at [REDACTED]

Petitioner

-vs.-

ELECTRONIC ARTS INC., legal
person duly constituted, having its
address of service at 1209 Orange
Street, Wilmington, DE 19801 USA

and

ELECTRONIC ARTS (Canada), INC.,
legal person duly constituted, having
its address for service at 1800 510
West Georgia St., Vancouver, BC,
V6B 0M3, Canada

and

ACTIVISION BLIZZARD INC., legal
person duly constituted, having its
address for service at 251 Little Falls
Drive, Wilmington, New Castle,
Delaware, 19808

and

ACTIVISION PUBLISHING INC.,
legal person duly constituted, having
its address for service at 251 Little
Falls Drive, Wilmington, New Castle,
Delaware, 19808

and

BLIZZARD ENTERTAINMENT INC.,
legal person duly constituted, having
its address for service at 251 Little

Falls Drive, Wilmington, New Castle,
Delaware, 19808

and

TAKE TWO INTERACTIVE SOFTWARE INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, Delaware, 19808

and

TAKE TWO INTERACTIVE CANADA HOLDINGS INC., legal person duly constituted, having its address for service at 5770 Hutontario St, Mississauga, Ontario, L5R 3G5

and

2K GAMES INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, Delaware, 19808

and

ROCKSTAR GAMES INC, legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, Delaware, 19808

and

WARNER BROS. ENTERTAINMENT INC., legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

WARNER BROS ENTERTAINMENT CANADA INC., legal person duly constituted, having its address for service at Suite 1600, 5000 Yonge Street, Toronto, Ontario, M2N 6P1

and

WARNER BROS. HOME ENTERTAINMENT INC, legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

UBISOFT ENTERTAINMENT SA, legal person duly constituted, having its address for service at 107, avenue Henri Fréville, Rennes, France, 35200

and

UBISOFT INC., legal person duly constituted, having its address for service at Law Office of Stephen S. Smith, PC, 30700 Russellrand Rd, Suite 250, Westlake Village, CA, 91362

and

UBISOFT ENTERTAINMENT INC. / UBISOFT DIVERTISSEMENTS INC., legal person duly constituted, having its address for service at 5000 - 5505 Blvd Saint-Laurent, Montréal (Québec), H2T1S6

and

MICROSOFT CORPORATION, legal person duly constituted, having its address for service at 1 Microsoft Way, Redmond, WA, 98052

and

MICROSOFT CANADA INC, legal person duly constituted, having its address for service at 600 - 1741 Lower Water Street, Halifax, NS, B3J 0J2

and

EPIC GAMES INC, legal person duly constituted, having its address for

service at 201 - 2405 York Road,
Lutherville Timonium, MD, 21093

and

EPIC GAMES CANADA ULC, legal person duly constituted, having its address for service at 2400 - 745 Thurlow Street, Vancouver, BC, V6E 0C5

and

SCOPELY INC., legal person duly constituted, having its address for service at c/o National Registered Agents Inc, 1209 Orange Street, Wilmington, DE, 19801

and

NIANTIC INC., legal person duly constituted, having its address for service at 3500 South Dupont Highway, Dover, Delaware, 19901

and

KING DIGITAL ENTERTAINMENT GROUP INC., legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

KING.COM LTD., legal person duly constituted, having its address for service at Aragon House Business Center, Dragonara Rd, St Julians, Malta, STJ 3140

and

ZYNGA INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, DE, 19808

and

ZYNGA GAME CANADA LTD., legal person duly constituted, having its address for service at 1600 - 925 West Georgia Street, Vancouver, BC, V6C 3L2

Respondents

AMENDED (2) APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION & TO OBTAIN THE STATUS OF REPRESENTATIVE PLAINTIFF (May 27, 2022)

(Art. 571 C.C.P. and following)

TO ONE OF THE HONOURABLE JUSTICES OF THE SUPERIOR COURT, SITTING IN AND FOR THE DISTRICT OF MONTREAL, YOUR PETITIONER RESPECTFULLY ALLEGES AS FOLLOWS:

INTRODUCTION

1. Petitioner contends that the Respondents lead a multi-billion-dollar global industry that counts both children and adults as their customers and players on personal computers, dedicated consoles and mobile devices. As video game developers and publishers, Respondents have sought to monetize their products employing addictive game elements including so-called "loot boxes" to compel players to spend more time and money in their games.

2. A loot box is a game of chance inside a video game, by which a player pays for a digital "roll of the dice" and the possibility of obtaining desirable virtual rewards. A loot box is either purchased with real money (or with virtual currency bought with real money) or must be "unlocked" using a virtual "key" purchased with real money. Respondents have received hundreds of millions of dollars from the exploitation of players through their loot boxes.

3. The Criminal Code of Canada prohibits unlawful gaming, betting, lotteries, and games of chance. Gaming is strictly controlled and licensed in this country. In breach of these laws, Respondents have operated an unlicensed, illegal gaming system through their loot boxes. Through this suit, consumers seek to hold Respondents accountable for this unlawful conduct, and to recover their losses.

CLASS DESCRIPTION

4. Petitioner seeks to institute a class action on behalf of the following group, of which he is a member, namely:

All Canadian customers of the National-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this Amended (2) Application for Authorization between 2008 and the date this action is authorized as a class proceeding, except such Canadian customers otherwise already included in class description in either one of the following cases *Cunningham et al v. Activision Blizzard Inc. et al* SCBC S-2013414, *Lussier et al v. Scopely Inc.*, SCBC S-2013510, *Pechnik et al v. Take-Two Interactive Software Inc. et al*, SCBC S-211073, *Sutherland v. Electronic Arts Inc. et al*, SCBC S-209803, *Petty et al v. Ninantic Inc. et al*, SCBC S-213723.

(the “**National Class**”, “**National-class Members**” and “**Class Period**”)

And

All Quebec customers of the Quebec-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this Amended (2) Application for Authorization between 2008 and the date this action is authorized as a class proceeding.

(the “**Quebec Class**,” “**Quebec Class Members**” and “**Class Period**”)

4.1. The following Respondents will be defined collectively as the National-class Loot Box Respondents:

- a) Ubisoft (Ubisoft Entertainment SA., Ubisoft Inc., Ubisoft Entertainment Inc. / Ubisoft Divertissements Inc.)
- b) Activision and Blizzard (Activision Blizzard Inc., Activision Publishing Inc., and Blizzard Entertainment Inc.)

- c) Electronic Arts (Electronic Arts Inc. and Electronic Arts (Canada) Inc.)
- d) WB Games (Warner Bros. Entertainment Inc., Warner Bros Entertainment Canada Inc. et Warner Bros. Home Entertainment Inc.)

4.2. The following Respondents will be defined collectively as the Quebec-class Loot Box Respondents:

- a) Epic Games Inc. et Epic Games Canada ULC
- b) King Digital Entertainment Group Inc. and King.com Ltd
- c) Microsoft Corporation et Microsoft Canada Inc.
- d) Niantic Inc.
- e) Scopely, Inc.
- f) Take Two Interactive Software Inc., Take Two Interactive Canada Holdings Inc., 2K Games Inc. and Rockstar Games Inc.
- g) Zynga Inc. et Zynga Game Canada Ltd

DESCRIPTION OF THE RESPONDENTS

5. The foregoing individual respondents will be defined collectively, for the purpose of this *Application for Authorization*, as the "**Loot Box Respondents**".

6. The Defendant, Electronic Arts Inc. is a company incorporated under the laws of Delaware, with an address for service at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, USA, 19801. Electronic Arts Inc. develops, publishes and distributes branded interactive entertainment software for a variety of video game consoles, computers and cellular devices. Through its EA Sports division, Electronic Arts Inc. develops and publishes sports video series. Electronic Arts Inc. is publicly traded on the NASDAQ stock exchange and carries on business in Quebec, across Canada, and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and other Canadians, and collecting from the sales of those products. (**Exhibit P-1**).

7. The Defendant, Electronic Arts (Canada), Inc., is a company incorporated pursuant to the laws of British Columbia with an address for service at 1800-510 West Georgia St, Vancouver, BC, V6B 0M3. Electronic Arts (Canada) Inc. the primary developer of video game products sold

under the EA Sports brand. Electronic Arts (Canada) Inc. is a wholly-owned subsidiary of Electronic Arts Inc. Electronic Arts (Canada), Inc. carries on business in Quebec and Canada. **(Exhibit P-2).**

8. The Defendants, Electronic Arts Inc. and Electronic Arts (Canada) Inc. are together “**Electronic Arts**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

8.1. The Electronic Arts Defendants have establishments in the province of Quebec, including EA Montréal (Montréal, QC) and Motive Studios (Montréal, QC), as is seen by Electronic Art (Canada) Inc.’s corporate information retrieved from Quebec Business Registry indicating EA Montréal as a registered establishment with an address at 6th Floor, 2200 rue Stanley, Montreal, Quebec, H3A 1R6, by the “About Motive Studio” webpage retrieved from EA’s Official Website indicating their address at 2200 rue Stanley, Montreal, QC, H3A 1R6, and by Electronic Arts (Canada) inc.’s registered property rights in the Quebec Registry of Personal and Moveable Real Rights indicating a lease and real property rights at 600-220 rue Stanley, Montreal QC, respectively **Exhibit P-42, P43 and P-44.**

9. The Defendant Activision Blizzard Inc. is a company incorporated under the laws of Delaware, with an address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808. Activision Blizzard Inc is a video game holding company that owns major video game publishing labels Activision Publishing Inc and Blizzard Entertainment Inc, and others. Activision Blizzard Inc is publicly traded on the NASDAQ stock exchange and carries on business in Quebec, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. **(Exhibit P-3)**

10. The Defendant Activision Publishing Inc. is a company incorporated pursuant to the laws of Delaware with an address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, and a business address at 3100 Ocean Park Blvd, Santa Monica, California, 90405. Activision Publishing Inc is a wholly-owned subsidiary of Activision Blizzard Inc. Activision Publishing Inc carries on business in Quebec and Canada. Activision Publishing Inc develops and distributes games through subsidiary studios, publishers, and support services in Canada including DemonWare Vancouver (Vancouver, BC); Radical Entertainment (Vancouver, BC); and

Beenox (Quebec City, Quebec); and corporate offices in Barrie, Ontario and Toronto, Ontario. **(Exhibit P-4)**

11. The Defendant Blizzard Entertainment Inc. is a company incorporated pursuant to the laws of Delaware with an address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, and a business address at 16251 Alton Parkway, Irvine, California, 92618. Blizzard Entertainment Inc is a wholly-owned subsidiary of Activision Blizzard Inc. Blizzard Entertainment Inc carries on business in Quebec and Canada. **(Exhibit P-5)**

12. The Defendants Activision Blizzard Inc, Activision Publishing Inc, and Blizzard Entertainment Inc are together “**Activision Blizzard**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games and Loot Boxes referred to herein.

12.1. The Activision Blizzard Defendants have establishments in the province of Quebec, including Beenox Inc. (Quebec, QC), as is seen by Beenox Inc.’s corporate information retrieved from Quebec Business Registry indicating their address at 700-305 boulevard Charest Est, Quebec (Quebec) G1K 3H3, and indicating Activision Publishing Inc. as their sole shareholder, **Exhibit P-45.**

13. The Defendant, Take-Two Interactive Software Inc is a company incorporated under the laws of Delaware, with an address for service at Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808. Take-Two Interactive Software Inc is a video game holding company that owns major video game publishing labels 2K, Rockstar Games Inc, and others. Take-Two Interactive Software Inc is publicly traded on the NASDAQ stock exchange and carries on business in British Columbia, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. **(Exhibit P-6, P-10)**

14. The Defendant, Take-Two Interactive Canada Holdings Inc, is a company incorporated pursuant to the laws of Ontario with an address for service at 5770 Hurontario St, Mississauga, Ontario, L5R 3G5. Take-Two Interactive Canada Holdings Inc is a wholly-owned subsidiary of Take-Two Interactive Software Inc. Take-Two Interactive Canada Holdings Inc carries on business in Quebec and Canada. **(Exhibit P-7)**

15. The Defendant, 2K Games Inc, is a video game publisher incorporated under the laws of Delaware, with an address for service at Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808. 2K is a wholly-owned subsidiary of Take-Two Interactive Software Inc. 2K Games Inc carries on business in Quebec and Canada by publishing and making available various video games and online services to consumers. **(Exhibit P-8)**

16. The Defendant, Rockstar Games Inc, is a video game publisher incorporated under the laws of Delaware, with an address for service at Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808. Rockstar Games Inc is a wholly-owned subsidiary of Take-Two Interactive Software Inc. Rockstar Games Inc carries on business in Quebec and Canada by publishing and making available various video games and online services to consumers. **(Exhibit P-9)**

17. The Defendants, Take-Two Interactive Software Inc, Take-Two Interactive Canada Holdings Inc, 2K Games Inc, and Rockstar Games Inc are together “**Take-Two**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

18. The Defendant, Warner Bros. Entertainment Inc., is a company incorporated under the laws of Delaware. It has an address for service at Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801. Through its divisions Warner Bros Home Entertainment Inc., and Warner Bros Interactive Entertainment (*also known as WB Games*), Warner Bros. Entertainment Inc. develops, publishes and distributes branded interactive entertainment software. Warner Bros. Entertainment Inc. is a wholly owned subsidiary of WarnerMedia LLC. Warner Bros. Entertainment Inc. carries on business in Quebec, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. **(Exhibit P-11)**.

19. The Defendant, Warner Bros. Entertainment Canada Inc., is a company incorporated under the laws of Ontario. It has an address for service at Suite 1600, 5000 Yonge Street, Toronto, Ontario, M2N 6P1. Warner Bros. Entertainment Canada Inc. develops, publishes and distributes branded interactive entertainment software. Warner Bros. Entertainment Canada Inc. carries on business in Quebec and Canada. **(Exhibit P-12)**

20. The Defendant, Warner Bros. Home Entertainment Inc., is a division of Warner Bros. Entertainment Inc. with an address for service at Corporation Trust Center, 1209 Orange St.,

Wilmington, DE 19801. Warner Bros. Home Entertainment Inc. carries on business under its own name and through its division Warner Bros. Interactive Entertainment (*also known as WB Games*), in Quebec and Canada by publishing and making available various video games and online services to consumers. **(Exhibit P-13, P-14)**

21. The Defendants, Warner Bros. Entertainment Inc, Warner Bros Entertainment Canada Inc, and Warner Bros. Home Entertainment Inc are together “**WB Games**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

21.1 The WB Games Defendants have establishments in the province of Quebec, including WB Games Montréal Inc. / Jeux Montréal WB Inc. (Montréal, QC) and NetherRealm Studios (Montréal, QC), as seen by WB Games Montréal Inc.’s corporate information retrieved from Quebec Business Registry indicating their address at 600-888 boulevard De Maisonneuve East, Montréal (Québec) H2L 4A8 and indicating their sole shareholder as WB Games Inc. and job description of Senior Designer, Live Ops with NetherRealms Studios for WarnerMedia in the province of Quebec, respectively Exhibit P-46, and P-47.

22. The Defendant Ubisoft Entertainment SA is a company incorporated under the laws of France, with an address for service at 107, avenue Henri Fréville, Rennes, France, 35200. Its principal place of business is 28, rue Armand Carrel, Montreuil-sous-Bois, France, 93100. It has a registered trademark in Canada. It owns multiple video game design and distribution subsidiaries in Canada, including Hybride Technologies (Quebec), Ubisoft Quebec, Ubisoft Montreal, Ubisoft Halifax, Ubisoft Saguenay, Ubisoft Toronto, and Ubisoft Winnipeg. Ubisoft Entertainment SA carries on business in Quebec, across Canada, and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and other Canadians, and collecting from the sales of those products. **(Exhibit P-15)**

23. The Defendant Ubisoft Inc. is a company incorporated under the laws of California, and is a fully owned subsidiary of Defendant Ubisoft Entertainment SA. It has an address for service at the Law Office of Stephen S. Smith, PC, 30700 Russellrand Rd, Suite 250, Westlake Village, CA, 91362. Its principal place of business is 625, 3rd St, San Francisco, CA, 94107. Ubisoft Inc. carries on business across North America by marketing and distributing the video games referred to herein, including to residents of Quebec and other Canadians, and collecting from the sales of those products. **(Exhibit P-16, P-17)**

24. The Defendant Ubisoft Entertainment Inc (Ubisoft Divertissements Inc) is a company incorporated under the laws of Quebec, and is a fully owned subsidiary of Defendant Ubisoft Entertainment SA. It has an address for service and a principal place of business at 5000 - 5505 Blvd Saint-Laurent, Montréal (Québec), H2T1S6. Ubisoft Entertainment Inc (Ubisoft Divertissements Inc) carries on business in Canada by marketing and distributing the video games referred to herein, including to residents of Quebec and other Canadians, and collecting from the sales of those products. (**Exhibit P-18**)

25. The Defendants, Ubisoft Entertainment SA, Ubisoft Inc., and Ubisoft Entertainment Inc (Ubisoft Divertissements Inc) are together “**Ubisoft**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

26. The Defendant, Microsoft Corporation, is a company incorporated pursuant to the laws of Washington State with an address for service at 1 Microsoft Way, Redmond, WA, 98052. Microsoft Corporation carries on business in Quebec, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. (**Exhibit P-20**)

27. The Defendant, Microsoft Canada Inc., is a video game publisher incorporated under the laws of Nova Scotia, with an address for service at 600 - 1741 Lower Water Street, Halifax, NS, B3J 0J2. Microsoft Canada Inc. is a wholly-owned subsidiary of Microsoft Corporation. Microsoft Canada Inc. carries on business in Quebec and Canada by publishing and making available various video games and online services to consumers. (**Exhibit P-21**)

28. The Defendants, Microsoft Corporation and Microsoft Canada Inc. are together “**Microsoft**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

29. The Defendant, Epic Games Inc., is a company incorporated pursuant to the laws of Maryland with an address for service at 201 - 2405 York Road, Lutherville Timonium, MD, 21093. Epic Games Inc. carries on business in Quebec, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. (**Exhibit P-22**)

30. The Defendant, Epic Games Canada ULC is a video game publisher incorporated under the laws of British Columbia, with an address for service at 2400 - 745 Thurlow Street, Vancouver, BC, V6E 0C5. Epic Games Canada ULC is a wholly-owned subsidiary of Epic Games Inc. Epic Games Canada ULC carries on business in Quebec and Canada by publishing and making available various video games and online services to consumers. (**Exhibit P-23**)

31. The Defendants, Epic Games Inc. and Epic Games Canada ULC are together “**Epic Games**”. These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

32. The Defendant, Scopely, Inc., “**Scopely**”, is a company incorporated under the laws of Delaware, with an address for service c/o National Registered Agents, Inc, 1209 Orange Street, Wilmington, DE 19801, USA. Its principal place of business is located at 3530 Hayden Ave A, Culver City, CA 90232, USA. It has a registered trademark in Canada. Scopely develops, publishes and distributes branded interactive entertainment software for mobile phones and tablets running Apple’s iOS and Google’s AndroidOS mobile operating systems. It carries on business in British Columbia and Canada by making its games available in this country and collecting money from Canadians. (**Exhibit P-24, P-25**)

33. The Defendant, Niantic Inc, “**Niantic**”, is a company incorporated under the laws of Delaware. It has an address for service at Incorporating Services Ltd, 3500 South Dupont Highway, Dover, Delaware, 19901. Its principle place of business is located at 1 Ferry Building Suite 200, San Francisco, CA, 94111. Niantic develops, publishes and distributes branded interactive entertainment software for mobile phones and tablets running Apple’s iOS and Google’s AndroidOS mobile operating systems independently and in conjunction with the WB Games Defendants. (**Exhibit P-26**)

34. The Defendant, King.com Ltd, is a company incorporated under the laws of Malta. It has an address for service at Aragon House Business Center, Dragonara Rd, St Julians, Malta, STJ 3140. Its principle place of business is located at 178 Wardour St, Soho, London, England, United Kingdom, W1F 8FY. King.com Ltd operates as an independent business unit of the Defendants Activision Blizzard under the name King. King.com Inc develops, publishes and distributes branded interactive entertainment software for mobile phones and tablets running Apple’s iOS and Google’s AndroidOS mobile operating systems. (**Exhibit P-28**)

35. The Defendant, King Digital Entertainment Group Inc., is a company incorporated under the laws of Delaware. It has an address for service at Incorporating Services Ltd, 3500 South Dupont Highway, Dover, Delaware, 19901. King Digital Entertainment Group Inc. operates as an independent business unit of the Defendants Activision Blizzard under the name King. King Digital Entertainment Group Inc develops, publishes and distributes branded interactive entertainment software for mobile phones and tablets running Apple's iOS and Google's AndroidOS mobile operating systems. **(Exhibit P-27)**

36. The Defendants, King.com Ltd and King Digital Entertainment Group Inc are together "**King**". These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

37. The Defendant, Zynga Inc., is a company incorporated pursuant to the laws of Maryland with an address for service at Corporation Service Company, 251 Little Falls Drive, Wilmington, DE, 19808. Zynga Inc. carries on business in Quebec, across Canada and worldwide by developing, marketing, distributing and selling the video games referred to herein, including to residents of Quebec and Canadians, and collecting from the sales of those products. **(Exhibit P-29)**

38. The Defendant, Zynga Game Canada Ltd is a video game publisher incorporated under the laws of British Columbia, with an address for service at 1600 - 925 West Georgia Street, Vancouver, BC, V6C 3L2. Zynga Game Canada Ltd is a wholly-owned subsidiary of Zynga Inc. Zynga Game Canada Ltd carries on business in Quebec and Canada by publishing and making available various video games and online services to consumers. **(Exhibit P-30)**

39. The Defendants, Zynga Inc. and Zynga Game Canada Ltd are together "**Zynga**". These Defendants function as a joint enterprise. Each of these Defendants is an agent of the other for the purposes of developing, marketing, distributing and selling the video games referred to herein.

THE FACTS THAT GIVE RISE TO AN INDIVIDUAL ACTION ON BEHALF OF THE PETITIONER AGAINST THE LOOTBOX RESPONDENTS, ARE AS FOLLOWS:

Unlawful Gaming

40. The *Criminal Code of Canada*, RSC 1985, c C-46, Part VII prohibits unlawful gaming, betting, lotteries, and games of chance.

41. Gaming properly licensed by a provincial government is lawful in the province of license. Alberta, British Columbia, Ontario and Québec regulate gaming through statutes including the *Gaming, Liquor and Cannabis Act*, RSA 2000, c G-1, ~~*Gaming Control Act*, SBC 2002, C-14~~, the *Gaming Control Act*, 1992, SO 1992, c 24, and the *Act Respecting Lotteries, Publicity Contests and Amusement Machines*, 1990, c 46, s 18, L-6 and regulations including but not limited to the *Advertising and Marketing Standards for Gambling in British Columbia*, the *OLG Marketing and Advertising Standard*, the *Regulation respecting amusement machines*, CQLR c L-6, r 1, *Lottery Schemes Regulation*, CQLR c L-6, r 11, *Regulation respecting persons who must respect the conditions for issue and maintenance of a license relative to video lotteries*, CQLR c L-6, r 9, *Rules respecting video lottery machines*, CQLR c L-6, r 3.

42. Gaming operations must be licensed at the provincial level to offer their services to the public. There is no exception for online gaming operations inside or outside Canada.

43. All of the Loot Box Respondents' Loot Boxes are unlawful as their operation is contrary to the *Criminal Code of Canada* and the Loot Box Respondents are not licensed in Canada to operate gambling, gaming or lottery businesses.

44. By their conduct set out herein, including but not limited to:

- a. offering and operating the Loot Boxes in breach of the *Criminal Code*;
- b. concealing the odds for their Loot Boxes;
- c. failing to place safeguards to prevent minors from playing their Loot Boxes; and
- d. making high-value items that affect game play available exclusively from Loot Boxes, thereby forcing playing to obtain Loot Boxes;
- e. development, building, editing, designing, implementing, and debugging of digital games containing Loot Boxes;

the Loot Box Respondents have breached the *Consumer Protection Act*, CQLR c P-40.1, and related enactments in other provinces subject to the scope of this action, and also the *Civil Code of Québec*.

45. Class Members resident outside Quebec plead and rely on *inter alia*: *Consumer Protection Act*, RSA 2000, c C-26.3; *The Consumer Protection and Business Practices Act*, SS 2013, c C-30.2; *Consumer Protection Act*, CCSM c C200; ~~*Consumer Protection Act*, SBC 2004, c 2;~~ *Consumer Protection Act, 2002*, SO 2002, c 30; *Consumer Protection Act*, RSNS 1989, c 92; *Consumer Protection Act*, RSPEI 1988, c C-19; *Consumer Protection and Business Practices Act*, SNL 2009, c C-31.1; *Consumers Protection Act*, RSY 2002, c 40; *Consumer Protection Act*, RSNWT 1988, c C-17; and *Consumer Protection Act*, RSNWT 1988 (Nu), c C-17; and all other related legislation in each Canadian province subject to the scope of this action; each as amended from time to time and with regulations in force at material times.

46. By their conduct set out herein, the Loot Box Respondents have breached the *Competition Act*, RSC 1985, c C-35, and have made false or misleading representations and omissions, including but not limited to the representations that:

- a. Offering Loot Boxes to the public and Class Members as though they were legal when they are in fact unlawful;
- b. Advertising an illegal internet gaming site, contrary to *inter alia* the above provincial Consumer Protection Acts;
- c. Failing to disclose odds of winning;
- d. Failing to take appropriate steps to protect minors; and
- e. Failing to promote responsible gaming.

47. Persons under the age of majority are afforded special protection under the *Civil Code of Québec*, under *inter alia* articles 157, 1398-1399, and 1405-1408. Related enactments afford the same or similar protections in other provinces subject to the scope of this action. The agreements by which the Loot Box Respondents collected money from underage players on account of Loot Boxes in the Affected Titles are unenforceable.

48. Though their deployment of unlawful Loot Boxes, and contrary to article 1493 of the *Civil Code of Québec*, the Loot Box Respondents have been enriched at the expense of Class Members, who have suffered a correlative impoverishment. There is no justification for the enrichment or the impoverishment.

Regulatory Enforcement

49. The use and abuse of Loot Boxes by online game publishers has been met with condemnation by regulators around the world:

- a. As early as 2012, the Japanese Consumer Affairs Agency began actively enforcing its prize regulations (*Law for Preventing Unjustifiable Extras or Unexpected Benefit and Misleading Representation*) against online game publishers employing Loot Boxes;
- b. In 2018, the Korea Fair Trade Commission levied US\$950,000 in fines against online game publishers for deceptive Loot Boxes practices;
- c. In 2018, the Netherlands Kansspelautoriteit (Gaming Authority) and the Belgian Kansspel Commissie (Gaming Commission) began actively enforcing their gaming laws against online game publishers employing Loot Boxes; and
- d. The Parliament of the United Kingdom, the United States Congress and U.S. Federal Trade Commission have initiated inquiries into Loot Boxes.

Digital Games

50. Modern video games are complex constructs, incorporating top-of-the-line graphics, dynamic gameplay, sophisticated plots and stories, and intricate engineering. Video games are increasingly popular across all age groups and are part of mainstream culture around the world. Video games are especially popular with children under the age of majority (“**Underage Players**”).

51. Video games are a multi-billion-dollar industry. Today, the global digital games market is worth approximately US\$117-billion and is expected to grow to US\$160-billion by 2022. The top ten global publishers of video games all have annual revenues over US\$1-billion.

52. Video games are played on computers, as well as on games consoles (for example Microsoft’s Xbox, Nintendo’s devices, Sony’s Play Station) and on mobile devices (smartphones). The majority of video games are playable over the internet; many are only playable online. Given the variety of platforms and formats, and the diversity of types of gameplay and stories, these products are best referred to as “**Digital Games**”.

53. Digital Games come in many different styles, including sports simulators (*FIFA*; *NBA 2K*), racing (*Burnout*; *Forza Motorsport*), open world (*Fallout 4*; *Grand Theft Auto*; *The Elder Scrolls: Skyrim*), massively multiplayer online role playing games (*World of Warcraft*), turn-based strategy (*Civilization*), real time strategy (*StarCraft 2*; *Total War: Warhammer II*), multiplayer online battle arena (*Dota 2*; *League of Legends*), fighting games (*Street Fighter V*; *Mortal Kombat 11*), first- and third-person shooters (*Counter-Strike*; *Call of Duty*; *PlayerUnknown's Battlegrounds*; *Fortnite*; *Star Wars Battlefront*), and mobile games (*Clash of Clans*; *Candy Crush Saga*; *Fruit Ninja*) among others. The increasing popularity of e-sports (competitive, broadcast video game competitions) has brought new audiences to the format. All modern Digital Games are substantially the same in key respects.

54. Digital Games are designed and produced by developers. Using their own resources or external financing, developers create Digital Games. They are the authors of a particular game or franchise. Digital Games with the biggest budgets and promotions are referred to as “AAA” games.

55. Digital Games are distributed by publishers. Publishers are responsible for their products’ manufacturing, marketing and distribution. Publishers either develop their own products in house or license or contract with external developers. For Digital Games that are playable exclusively or principally online, publishers are responsible for managing the game on an ongoing basis, including the provision of support and updates, the maintenance of servers, and the processing and collection of payments from players. Some Digital Games, including the ones at issue in this proceeding, are both developed and published by the same company.

56. From about the 1980s until the early 2000s, Digital Games were distributed in physical form, such as cartridges or CDs and DVDs. Customers paid for the game up front (known as “pay once”), and the publishers received most of their income from the retail sale of their products.

57. Beginning in the early 2000s, Digital Games were offered with online components or for download from the internet. Publishers began to take advantage of their ability to sell upgrades (expansions or add-ons) to existing products to customers multiple times for the same product (or title).

58. During this period, Digital Games publishers began to host Digital Games as a service, whereby internet access was required to make use of the product. Publishers again made innovations to their business model, offering access to products on a monthly or annual

subscription basis. By the mid-2000s, publishers were offering extensive add-ons, including downloadable content “packs” that would change the appearance of a player’s in-game character – for a price. This process of financial engineering is generally referred to as “game monetization”.

59. Some of these add-ons are regarded by gaming purists as “cheats”, because they allow a player to artificially accelerate their progress through a game by buying abilities or experience otherwise only obtainable through long hours of gameplay. Paid add-ons are especially popular in free to play games (e.g., *Farmville*; *Angry Birds*). While such products or services may take away from the experience of gameplay or even be ethically troublesome, they did not attract much regulatory scrutiny.

60. By the late 2000s and early 2010s, the Digital Games market had expanded and matured. An immense variety of Digital Games became available, from free-to-play mobile and browser games, through to more complicated online products, such as massive multi-player online role-playing games (“**MMORPGs**”) and arena games. Publishers had to compete for players’ attentions with other digital distractions.

Loot Boxes

61. One innovation developed by publishers to both keep players’ attention and to extract additional revenue was the loot box. A loot box is a consumable virtual item which can be redeemed (or “opened”) to receive a randomized selection of further virtual items, ranging from simple customization options for a player’s avatar or character, to game-changing equipment or additional avatars/characters (with effects on gameplay, including relative to other players) (“**Loot Boxes**”). Purchasing the right to open a Loot Box is a bet – a game of chance, which has similar features to conventional forms of gambling. See expert report of Dr. David Zendle (“**Zendle Report**”), filed as Exhibit **P-32**, and expert report of Dr. Aaron Drummond, filed as Exhibit **P-33** (“**Drummond Report**”).

62. Loot Boxes have real-world value. Players can buy Loot Boxes directly from publishers through an in-game transaction (using real money or in-game currency earned through play or purchased with real money) or receive the Loot Boxes during play and later buy “keys” with which to redeem them.

63. Some Loot Boxes are free to play. This action is concerned only with games in which players pay with real or virtual currency for the opportunity to play or open a Loot Box.

64. Loot Boxes are an extension of randomized loot drop systems from earlier Digital Games, frequently used to give out rewards in MMORPGs or similar games (for example, the chance to obtain a special item, like a sword or armor with special characteristics, on vanquishing a “boss”). Loot Boxes are also an extension of a feature developed for the Japanese market (known as “gacha” or “kompu gacha”) and refined in the Chinese market from around 2007.

65. The random chance element is central to the appeal of Loot Boxes to developers and publishers: Loot Boxes are considered part of the compulsion loop of game design to keep players invested in a game. Such compulsion loops are known to contribute towards video game addiction and are frequently compared to gambling addiction. This is in part due to the use of a “variable-rate reinforcement schedule” similar to how slot machines dole out prizes and it is especially dangerous for children. The random element also makes players more likely to pay for the chance to “win” an item from a Loot Box. Players do not know the contents of a Loot Box at the time they commit to purchase. There is a robust and reliable correlation between problem gambling and Loot Box spending, including among children. ¹

66. The odds of a particular item being in a Loot Box are determined by publishers including the Defendants. For the majority of the Class Period the Respondents did not make available to players in Canada the odds of obtaining particular items from their Loot Boxes. However, each of the Respondents has data available that can explain mechanic of each specific Loot Box.²

67. Items obtained from Loot Boxes can either affect gameplay or not affect gameplay. Items may affect gameplay where they offer a player a competitive advantage over another player, for example by giving the player additional abilities or “stats”. Items will not affect gameplay where they offer purely cosmetic rewards, such as clothing for an in-game avatar. Cosmetic items still have importance and value to players, who desire the ability to personalize their in-game avatars and show off to other players.

68. Loot Boxes contain items and rewards of varying rarity, with “rare” items and rewards conferring a larger advantage than “common” items and rewards. In the case of cosmetic items, “rare” items are generally more prestigious than “common” ones, and carry higher social value. Rarer items have greater real-money value than more common items, which may be worthless.

¹ Zendle Report, pp 9-10

² Zendle Report, pp 10-12, Drummond Report, p 11

69. The items in Loot Boxes have intrinsic value, and in some games the same or similar items can be purchased directly with real money. Where a game allows trading of items between players, often third-party marketplaces arise allowing players to pay real money for items normally only available in Loot Boxes. Some publishers have moved this ability “in house” and offer in-game auction houses for the trading and selling of items contained in Loot Boxes. During the Class Period, online marketplaces existed for the sale of content normally only available in Loot Boxes in the Loot Box Respondents’ Digital Games.

70. Certain items are available only from Loot Boxes and not from ordinary gameplay. Games are increasingly designed such that players must obtain high-value items available exclusively from Loot Boxes in order to be competitive with other players in the games’ online environments. This increases the compulsion or the need for players to pay for Loot Boxes.

71. Publishers, including the Defendants, market and advertise their Digital Games, including the Loot Boxes as a feature. The advertisements include promotions online and offline, including electronic ads and messages to players or potential players, encouraging them to play their Digital Games and their Loot Boxes. In particular, publishers, including the Defendants, extol to players and potential players the excitement and possible advantage to be gained from acquiring a Loot Box and its contents.

Direct Gambling Mechanics

72. Some Loot Box Respondents have pushed the envelope further and offer virtual gambling within their games (the “**Direct Gambling Mechanics**”). Direct Gambling Mechanics allow a player to wager virtual currency on games of chance such as roulette, blackjack, pachinko, slots, or other games of chance inside a game.

73. Virtual currency used in Direct Gambling Mechanics can be earned in game, purchased for real money, or acquired through the exchange of a different virtual currency which can itself be purchased for real money. Players have the chance to win additional virtual currency, which has intrinsic value and may be spent in the game.

Dynamic Difficulty Adjustment

74. The Loot Box Respondents have near total control over the systems and mechanics that run their games. This control extends to the ability to manipulate the level of challenge presented to players, how players are matched against each other in multiplayer contexts, and how

monetization schemes are presented to individual players. Loot Box Respondents are able to manipulate these systems in order to drive player engagement with their games and maximize the chances that player will purchase Loot Boxes.

75. Dynamic Difficulty Adjustment is a technique in which the difficulty of a game is adjusted dynamically based on the progress or skill exhibited by an individual player, allowing the Loot Box Respondents to automatically or manually change the difficulty of a video game “on the fly” so that skilled players are presented with additional challenge. Players are generally not aware that this is occurring, and the existence of Dynamic Difficulty Adjustment in a game is not normally communicated to players. Dynamic Difficulty Adjustment can also be used to silently increase the difficulty of a game so that even skilled players are incentivized to purchase microtransactions and Loot Boxes.

76. Several video game publishers have patented techniques for Dynamic Difficulty Adjustment, including,

- a. **Patent US20170259177A1** (assignee Electronic Arts, filed 2016) - *Dynamic difficulty adjustment (Exhibit P-34)*

“Embodiments of systems presented herein may perform automatic granular difficulty adjustment. In some embodiments, the difficulty adjustment is undetectable by a user. Further, embodiments of systems disclosed herein can review historical user activity data with respect to one or more video games to generate a game retention prediction model that predicts an indication of an expected duration of game play. The game retention prediction model may be applied to a user's activity data to determine an indication of the user's expected duration of game play. Based on the determined expected duration of game play, the difficulty level of the video game may be automatically adjusted.”;

- b. **Patent US10839215B2** (Electronic Arts, filed 2018) - *Artificial intelligence for emulating human playstyles (Exhibit P-35)*.

Matchmaking Optimization

77. Matchmaking Optimization includes techniques for matching players against each other in the context of online multiplayer games. Loot Box Respondents use these systems to ensure fair matchups by players of different skills levels, even going as far as implementing variants of

the “Elo rating system” used in international chess rankings. Matchmaking Optimization is also used to drive player engagement and to incentivize players into purchasing microtransactions and Loot Boxes. By matching weaker or newer players against “elite” players who have avatars outfitted with premium equipment or who have teams equipped with premium virtual athletes, weaker players are incentivized to try and acquire similar premium equipment or virtual athletes through the purchase of microtransactions and Loot Boxes.

78. Several video game publishers have patented techniques for Matchmaking Optimization, including,

- a. **Patent US20170259178A1** (assignee Electronic Arts, filed 2016) - *Multiplayer video game matchmaking optimization (Exhibit P-36)*;
- b. **Patent US9789406B2** (Activision Publishing, filed 2014) - *System and method for driving microtransactions in multiplayer video games (Exhibit P-37)*

“A system and method is provided that drives microtransactions in multiplayer video games. The system may include a microtransaction arrange matches to influence game-related purchases. For instance, the system may match a more expert/marquee player with a junior player to encourage the junior player to make game-related purchases of items possessed/used by the marquee player. A junior player may wish to emulate the marquee player by obtaining weapons or other items used by the marquee player.”.

Dynamic Pricing

79. Dynamic Pricing is a technique whereby players are offered different purchasing options or different prices for identical purchases based on their engagement with a game and previous purchase history. Loot Box Respondents can maximize the likelihood of a player spending money on microtransactions and Loot Boxes by offering special “sales” tailored to individual players, adjusting the price of virtual items such as Loot Boxes on an individual basis, and manipulating the likelihood that premium items will be obtained from Loot Boxes. Players are generally not made aware that Loot Box Respondents offer identical purchases for different prices depending on the individual player, nor are players generally made aware that the “drop tables” dictating the chance of obtaining items from Loot Boxes are not static and are manipulated by the Loot Box Respondents. By tailoring pricing, “sales”, and Loot Box reward rates based on player purchase

histories, behaviors and habits, Loot Box Respondents are able to maximize the amount of total purchases and the dollar amount spent on microtransactions and Loot Boxes.

80. Several video game publishers have patented techniques for Dynamic Pricing, including,

- a. **Patent US10395279B1** (assignee Electronic Arts, filed 2014) - *System and method for in-game calendar-based item promotion (Exhibit P-38)*;
- b. **Patent US10576379B1** (assignee Electronic Arts, filed 2018) - *Systems and methods for adjusting online game content and access for multiple platforms (Exhibit P-39)*;
- c. **Patent US9138639B1** (Kabam Inc filed 2013, assigned to Bank of Montreal in 2018) - *System and method for providing in-game pricing relative to player statistics (Exhibit P- 40)*

“One aspect of the disclosure relates to providing players pricing of in-game virtual items associated with their experience and their progress in the game. For example, the first player and the second player may have similar triggers, similar in-game events, and actually have different prices and currencies inside each story depending on each player's progress in the game, thus creating an individualized experience that may alter from player to player.”;

- d. **Patent US9623335B1** (Kabam Inc filed 2013, assigned to Bank of Montreal in 2018) - *Access to an exclusive virtual section of an online game based on past spending behavior (Patent P-41)*

“This disclosure relates to a system and methodology for obtaining information associated with spend history of a first user in connection with playing an online game and processing the information associated with the spend history to assign the user spend parameter value to the first user which may be further used to provide selective access to an exclusive virtual section associated with an online game when the user spend parameter value meets the spend threshold.”.

The Loot Box Respondents' Loot Boxes

81. Loot Box Respondents' Digital Games all function in a substantially similar fashion, with players either purchasing the Loot Box directly using real money, or spending real money on a virtual currency which they can then exchange for a Loot Box.

82. The Loot Box Respondents' Loot Boxes are "games", the purchase and opening of a Loot Box is a "bet", the computer infrastructure and the individual games alone or in combination are "gaming equipment", and the Defendants are "keepers" who operate "common betting houses" or "gaming houses" at their physical and online offices and facilities ("places") wherein Loot Box transactions are recorded and processed and proceeds are paid, all as defined in section 197 of the *Criminal Code*.

83. The technology that underpins the operation of Loot Boxes is hosted on servers located in facilities operated by each of the Loot Box Respondents.

84. A schedule listing each specific game where each Loot Box Respondent operated an unlawful Loot Box is set out as Appendix A to this *Application for Authorization* (the "**Affected Titles**").

85. Without limiting the generality of the foregoing, the Petitioner pleads the following allegations against each specific Loot Box Respondent:

i. Electronic Arts

86. Since 2008, Electronic Arts has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, the FIFA, NHL, NBA, and Madden NFL franchise, Battlefield, Mass Effect, Star Wars, and others.

86.1. Through their establishments in Quebec, including EA Montréal and Motive Studios, Electronic Arts carries on activities in the province of Quebec that are at the heart of this legal action, including the development, design, implementation, debugging, game experience testing and improvement of core engine functioning of, and/or contributing to, digital games containing Loot Boxes listed in Affected Titles (Appendix A) that have been, and continue to be, offered, sold to, and consumed by Canadians throughout the country.

86.2. In addition to potential others, some examples of Electronic Arts' activities related to the development and design of their digital games that contain Loot Boxes that have been, and continue to be, offered, sold to, and consumed by Canadians, including:

a. Activities related to Electronic Arts sports (EA Sports) digital games, as seen by the list of EA Sports indicated as items 1 to 41 in Affected Titles of Appendix A to this Application, as seen by Electronic Art (Canada) Inc's corporate information retrieved from Quebec Business Registry indicating EA Sports as an "other name used in Quebec", as seen by the copy of the description of "Generalist Software Engineer – C++ - EA Sports" with EA Sports in EA Montreal location retrieved from EA's Official Website, by the copy of the description of "Lead Data Engineer" job with the FIFA Analytics Team in, among others, the Montreal Electronic Art's establishment retrieved from EA's Official Website, respectively **Exhibit P-42, P-48 and P-49.**

b. Activities related to Electronic Arts digital games produced by their BioWare Studio, such as Dragon Age: Inquisition, Mass Effect 3, Mass Effect: Andromeda, Star Wars: The Old Republic, as indicated as items 48, 49, 50 and 54, respectively, in Affected Titles of Appendix A to this Application, as seen by the copy of the description of Bioware's Games retrieved from Bioware's website, and as seen by the copy of electronic News article titled 'In Their Own Words: Scott Horner' in which EA, the author of the article, indicating 'BioWare Montreal' retrieved from EA's Official Website, respectively **Exhibit P-50, and P-51.**

87. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "card packs", "ultimate team packs", "battlepacks", "apex packs", and others.

88. In all Electronic Arts Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

89. Over 60 digital games produced by Electronic Arts contain Lootboxes based on expert report of Eamon Garrett made on February 5, 2021 filed as Exhibit **P-31**.

ii. Activision Blizzard

90. Since 2008, Activision Blizzard has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Hearthstone, Heroes of the Storm, Overwatch, Destiny, and others.

90.1. Through their establishments in Quebec, including Beenox Inc., Activision Blizzard carries on activities in the province of Quebec that are at the heart of this legal action, including the development, design, implementation, and production of digital games that contain Loot Boxes and that have been, and continue to be, offered, sold to, and consumed by Canadians throughout the country.

90.2. Among potential others, examples include Call of Duty: Black Ops III, Call of Duty: Black Ops 4, and Call of Duty: Modern Warfare Remastered, as indicated as Items 68, 69 and 71 in Affected Titles of Appendix A, as seen by the copies of the game descriptions of each of these examples indicating Beenox Inc. as developer and Activision as editor, Exhibits P-52, P-53, and P-54.

91. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "card packs", "loot chests", "mystery bags", and others.

92. In all Activision Blizzard Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

iii. Take-Two

93. Since 2008, Take-Two has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Grand Theft Auto, NBA 2K, WWE 2K, and others.

94. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "card packs", "loot packs", "lucky wheel", and others.

95. In all Take-Two Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

iv. WB Games

96. Since 2008, WB Games has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, DC Universe, Lord of the Rings, Middle-Earth: Shadow of War, WWE Immortals, and others.

96.1 Through their establishments in Quebec, including WB Games Montreal and NetherRealm Studios, WB Games carries on activities in the province of Quebec that are at the heart of this legal action, including the development, design, implementation, and production of digital games that contain Loot Boxes and that have been, and continue to be, offered, sold to, and consumed by Canadians throughout the country.

96.2 In addition to potential others, examples include Injustice 2 Mobile as indicated as item 93.a) on Affected Titles in Appendix A, as seen by the copy of the Screen Shot of the end credits of the game indicating and crediting the game development work by WB Montréal and team members from their establishments in Quebec, and by the copy of the description for the role of “Senior Designer – Live Ops” with the NetherRealm Studios mobile game team, respectively Exhibit P-55 and P-47.

97. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "promethium lockbox", "steel-bound lootboxes", "assassins war chest", and others.

98. In all WB Games Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

v. Ubisoft

99. Since 2008, Ubisoft has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Assassin's Creed Origins, Brawlhalla, For Honor, Might & Magic, Tom Clancy, and others.

100. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "mystery boxes", "booty chests", "relic boxes", and others.

101. In all Ubisoft Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be

exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

vi. Microsoft

102. Since 2008, Microsoft has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Halo 5, Gears of War 4, Forza Motorsport 7, and others.

103. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "packs", "booster packs", "REQ Packs", "Mod Packs", and others.

104. In all Microsoft Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

vii. Epic Games

105. Since 2008, Epic Games has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Fortnite: Save the World, Rocket League, and others.

106. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "loot llamas", "crates", and others.

107. In all Epic Games Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

viii. Scopely

108. Since 2008, Scopely has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, The Walking Dead, Star Trek Fleet Command, Dice With Buddies, and others.

109. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "packs", "bags", "caches", "chests", "orbs", "scratch & win", and others.

110. In all Scopely Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

ix. Niantic

111. Since 2008, Niantic has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Pokemon GO, Harry Potter: Wizards Unite, and others.

112. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "eggs", "pokecoins", "portmantaeus", "runestones", and others.

113. In all Niantic Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

x. King

114. Since 2008, King has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, Candy Crush Saga, Shuffle Cats, Legend of Solgard, Knighthood, and others.

115. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "daily booster wheel", "win moves wheel", "chests", and others.

116. In all King Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

xi. Zynga

117. Since 2008, Zynga has employed Loot Boxes in its games listed in Affected Titles Appendix A, including, *inter alia*, CSR Racing 2, Dawn of Titans, Empires & Puzzles: Epic Match 3, Farmville 2: Tropical Escape, and others.

118. In all of their games, players are able to purchase Loot Boxes with varying names, included, *inter alia*, "crates", "altars", "shrines", "summon gates", "bottles", and others.

119. In all Zynga Loot Boxes contained in Affected Titles Appendix A, players can use real money to purchase Loot Boxes, or can use real money to purchase virtual currency which can be exchanged for Loot Boxes, that are randomized games of chance in which the player has the prospect of loss or gain of money's worth.

The Case of the Petitioner

120. Mr. Gabriel Bourgeois is 30 years old as of the date of filing.

121. He is a resident of Quebec who lives in the greater Montreal region.

122. He is educated at the University of Sherbrooke and works as an occupational therapist.

123. He purchased over \$300 worth of Loot Boxes in the digital game Marvel Strike Force.

124. He is bringing the claim in good faith.

125. He does not have a conflict with other Class Members.

126. He understands the role of the representative plaintiff in the context of a class action law suit and will dedicate the necessary time to participating within and understanding his duty to other Class Members. He has the time and energy properly required to this endeavor.

127. He is in a position to collaborate with his lawyers to accomplish the necessary tasks to ensure that the rights of Class Members are fully considered.

THE FACTS THAT GIVE RISE TO AN INDIVIDUAL ACTION BY ALL CLASS MEMBERS, ARE AS FOLLOWS:

128. Class Members have been playing Digital Games in the multibillion dollar gaming industry for decades.

129. Class Members have spent hundreds of millions if not billions of dollars in Loot Boxes contained in the Affected Titles Appendix A document.

130. The Loot Box Respondents sought to and did in fact monetize on their addictive Loot Boxes, which in turn generated hundreds of millions if not billions in profit to their own benefit, and to the detriment of Class Members, include the Underage Players.

131. All Loot Boxes contained within all the games set out in Affected Titles Appendix A are unlawful. They are contrary to the *Criminal Code of Canada* and the Loot Box Respondents never obtained provincial government licensing required to operate them.

THE COMPOSITION OF THE CLASS MAKES IT DIFFICULT OR IMPRACTICABLE TO APPLY THE RULES FOR MANDATES TO TAKE PART IN JUDICIAL PROCEEDINGS ON BEHALF OF OTHERS OR FOR CONSOLIDATION OF PROCEEDINGS IN THAT:

132. The size of the Class is estimated to be in the hundreds of thousands of people who play Digital Games.

133. It is impossible for the Petitioner to contact and obtain mandates from every Class Member.

THE PETITIONER SEEKS TO HAVE THE FOLLOWING QUESTIONS OF FACT AND LAW, WHICH ARE IDENTICAL, SIMILAR OR RELATED AND UNITE EACH CLASS MEMBER, DECIDED BY A CLASS ACTION:

134. Do the Loot Box Respondents' games in the Affected Titles contain Loot Boxes? If so, which games and how many Loot Boxes?

135. Are Loot Boxes contained within the Respondents' Digital Games contrary to the *Criminal Code of Canada*?

136. Are the Respondents' Loot Boxes subject to provincial gambling regulation requirements? If so, did the Respondents comply with those requirements?

137. Do the Loot Box Respondents' games in the Affected Titles apply Direct Gambling Mechanics, Dynamic Difficulty Adjustment, Matchmaking Optimization or Dynamic Pricing? If so, which games among the Affected Titles?

138. Do the Respondents' Loot Boxes breach the *Consumer Protection Act*?

139. Do the Respondents' Loot Boxes breach the *Competition Act*?

140. Do the Respondents' Loot Boxes breach the *Civil Code of Quebec* and related enactments and doctrine of unjust enrichment in the common law provinces?

141. Are the Petitioner and Class Members entitled to restitution, compensatory or other damages for any of breach of the *Criminal Code*, breach of any provincial statute or regulations, breach of the CCQ, or breach of the common law? If so, can the damages be aggregated?

142. Are the Petitioner and Class Members entitled to punitive damages?

IT IS APPROPRIATE TO AUTHORIZE A CLASS ACTION ON BEHALF OF CLASS MEMBERS FOR THE FOLLOWING REASONS:

143. Only the institution of a class action will provide Class Members with reasonable access to justice.

144. The cost of bringing individual actions would disproportionately exceed the amount sought by individual Class Members.

145. If Class Members exercised their rights through Canada, the sheer number of individual claims would lead to a multitude of individual actions instituted in a multitude of different jurisdictions against a multitude of different respondents, in varying combinations. This could lead to contradictory rulings on questions of fact and law that are for all intents and purposes identical to all Class Members. The judicial remedy herein would eliminate the overloading and unnecessary burden on the entire Canadian judicial system.

NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

146. The Petitioner seeks to institute a class action in declaratory relief, compensatory, punitive and other damages.

147. The conclusions that the Petitioner wishes to introduce by way of a motion to institute proceedings are:

GRANT the Petitioner's Motion on behalf of all Class Members;

DECLARE that the Respondents have breached the *Criminal Code of Canada* and failed to comply with provincial gaming regulations;

CONDEMN the Respondents to pay the Petitioner and Class Members compensatory and punitive damages;

ORDER the collective recovery of the claims;

ORDER the liquidation of the Class Members' individual claims;

THE WHOLE with costs, including costs of all experts, notices and expenses of the administrator, if any;

The Petitioner is apt to assume an adequate representation of the Class Members that he intends to represent for the following reasons.

148. The Petitioner is a Class Member. He has an honest desire to represent the interests of Class Members.

149. The Petitioner is willing to cooperate fully with his attorneys in order to diligently carry out the action.

150. The Petitioner is represented by attorneys who have experience in class action litigation.

The Petitioner requests and proposes that the class action be brought before the Superior Court, sitting in the district of Montreal, for the following reasons:

151. A large amount of the Class Members likely reside in or around Montreal.

152. The corporate headquarters of the Respondent Ubisoft is in Montreal.

152.1 The Respondents Electronic Arts and WB Games carry on activities in Montreal, QC that are at the heart of this legal action, including the development, design, implementation, and production of digital games that contain Loot Boxes and that have been, and continue to be, offered, sold to, and consumed by Canadians.

153. The Petitioner's attorneys practice is in the District of Montreal.

FOR THESE MOTIVES, MAY IT PLEASE THE COURT:

GRANT the Petitioner's motion;

AUTHORIZE the class action hereinafter described as:

An action in declaratory relief, compensatory, punitive and other damages.

GRANT The Petitioner's Motion to obtain the Status of Representative of all Class Members forming part of the Class hereinafter defined as:

All Canadian customers of the National-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this Amended (2) Application for Authorization between 2008 and the date this action is authorized as a class proceeding, except such Canadian customers otherwise already included in class description in either one of the following cases *Cunningham et al v. Activision Blizzard Inc. et al* SCBC S-2013414, *Lussier et al v. Scopely Inc.*, SCBC S-2013510, *Pechnik et al v. Take-Two Interactive Software Inc. et al*, SCBC S-211073, *Sutherland v. Electronic Arts Inc. et al*, SCBC S-209803, *Petty et al v. Ninantic Inc. et al*, SCBC S-213723.

And

All Quebec customers of the Quebec-class Loot Box Respondents (defined further below) who purchased or otherwise paid directly or indirectly for loot boxes in any of the games set out in Schedule A to this Amended (2) Application for Authorization between 2008 and the date this action is authorized as a class proceeding.

IDENTIFY as follows the principle questions of fact and law to be determined collectively:

Do the Loot Box Respondents' games in the Affected Titles contain Loot Boxes? If so, which games and how many Loot Boxes?

Are Loot Boxes contained within the Respondents' Digital Games contrary to the *Criminal Code* of Canada?

Are the Respondents' Loot Boxes subject to provincial gambling regulation requirements? If so, did the Respondents comply with those requirements?

Do the Loot Box Respondents' games in the Affected Titles apply Direct Gambling Mechanics, Dynamic Difficulty Adjustment, Matchmaking Optimization or Dynamic Pricing? If so, which games among the Affected Titles?

Do the Respondents' Loot Boxes breach the *Consumer Protection Act*?

Do the Respondents' Loot Boxes breach the *Competition Act*?

Do the Respondents' Loot Boxes breach the *Civil Code of Quebec* and related enactments and doctrine of unjust enrichment in the common law provinces?

Are the Petitioner and Class Members entitled to restitution, compensatory or other damages for any of breach of the *Criminal Code*, breach of any provincial enactments or regulations, breach of the *CCQ*, or breach of the common law? If so, can the damages be aggregated?

Are the Petitioner and Class Members entitled to punitive damages?

IDENTIFY as follows the conclusions sought in relation thereof:

GRANT the Petitioner's Motion on behalf of all Class Members;

DECLARE that the Respondents have breached the *Criminal Code* of Canada and failed to comply with provincial gaming regulations;

CONDEMN the Respondents to pay the Petitioner and Class Members restitution, compensatory, punitive and other damages;

ORDER the collective recovery of the claims;

ORDER the liquidation of the Class Members' individual claims;

THE WHOLE with costs, including costs and fees of all experts, notices and expenses of the administrator, if any;

ORDER the publication of a notice to the Class Members according to the terms to be determined by the Court;

REFER the present file to the Chief Justice for determination of the district in which the class action should be brought and to designate the Judge who shall preside over the hearing;

THE WHOLE with costs, including costs and fees of all experts, notices and expenses of the administrator, if any;

Montréal, May 27, 2022



Irwin Liebman
Liebman Légal Inc.
Attorneys for the Petitioner

SUMMONS

(Articles 145 and following CCP)

Filing of a judicial application

Take notice that the Petitioner has filed this Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff in the office of the Superior Court in the judicial district of Montreal.

Defendants' answer

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Rue Notre-Dame Est, Montreal, Québec, H2Y 1R6, within 15 days of service of the Application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the Petitioner's lawyer or, if the Petitioner is not represented, to the Petitioner.

Failure to answer

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

Content of answer

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the case required by the Code, cooperate with the Petitioner in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you have no domicile, residence or establishment in Québec, within 3 months after service;
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

Change of judicial district

You may ask the court to refer the originating Application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the plaintiff.

If the application pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

Transfer of application to Small Claims Division

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

Calling to a case management conference

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

Exhibits supporting the application

Exhibit P-1: Copy of a Delaware Corporate Search for Respondent Electronic Arts Inc.;

Exhibit P-2: Copy of a British Columbia Corporate Search for Respondent Electronic Arts (Canada) Inc.;

Exhibit P-3: Copy of a Delaware Corporate Search for Respondent Activision Blizzard Inc.;

Exhibit P-4: Copy of a Delaware Corporate Search for Respondent Activision Publishing Inc.;

Exhibit P-5: Copy of a Delaware Corporate Search for Respondent Blizzard Entertainment Inc.;

Exhibit P-6: Copy of a Delaware Corporate Search for Respondent Take Two Interactive Software Inc.;

Exhibit P-7: Copy of an Ontario Corporate Search for Respondent Take Two Interactive Canada Holdings Inc.;

Exhibit P-8: Copy of a Delaware Corporate Search for Respondent 2K Games Inc.;

Exhibit P-9: Copy of a Delaware Corporate Search for Respondent Rockstar Games;

Exhibit P-10: Copy of a Canadian Trademark registration for "Take Two Interactive";

Exhibit P-11: Copy of a Delaware Corporate Search for Warner Bros Entertainment Inc.;

- Exhibit P-12:** Copy of an Ontario Corporate Search for Warner Bros Entertainment Canada Inc.;
- Exhibit P-13:** Copy of a Delaware Corporate Search for Warner Bros Home Entertainment Inc.;
- Exhibit P-14:** Copy of a Delaware Corporate Search for Warner Bros Interactive Entertainment;
- Exhibit P-15:** Copy of a 2020 Universal Registration Document showing the address for service of Ubisoft Entertainment SA;
- Exhibit P-16:** Copy of a California Certificate of Status for Ubisoft Inc.;
- Exhibit P-17:** Copy of a California Corporate Search for Ubisoft Inc.;
- Exhibit P-18:** Copy of a Quebec Registraire des Entreprises Search for Ubisoft Entertainment Inc. / Ubisoft Divertissements Inc.;
- Exhibit P-19:** Copy of a Canadian Trademark registration for “Ubisoft”;
- Exhibit P-20:** Copy of a Washington State Corporate Search for Microsoft Corporation;
- Exhibit P-21:** Copy of a Nova Scotia Corporate Search for Microsoft Canada Inc.;
- Exhibit P-22:** Copy of a Maryland Corporate Search for Epic Games Inc.;
- Exhibit P-23:** Copy of a British Columbia Corporate Search for Epic Games Canada ULC;
- Exhibit P-24:** Copy of a Delaware Corporate Search for Scopely Inc.;
- Exhibit P-25:** Copy of a Canadian Trademark registration for “Scopely”;
- Exhibit P-26:** Copy of a Delaware Corporate Search for Niantic Inc.;
- Exhibit P-27:** Copy of a Delaware Corporate Search for King Digital Entertainment Group Inc.;
- Exhibit P-28:** Copy of a Malta filed 2020 Annual Return for King.com Ltd.;
- Exhibit P-29:** Copy of a Delaware Corporate Search for Zynga Inc.;
- Exhibit P-30:** Copy of a British Columbia Corporate Search for Zynga Game Canada Ltd.;
- Exhibit P-31:** Copy of expert report of Eamon Garrett, February 5, 2021;
- Exhibit P-32:** Copy of expert report of Dr. David Zendle, February 9, 2021;
- Exhibit P-33:** Copy of expert report of Dr. Aaron Drummond, February 9, 2021;
- Exhibit P-34:** Patent US20170259177A1 (assignee Electronic Arts, filed 2016) - Dynamic difficulty adjustment;
- Exhibit P-35:** Patent US10839215B2 (Electronic Arts, filed 2018) - Artificial intelligence for emulating human playstyles;
- Exhibit P-36:** Patent US20170259178A1 (assignee Electronic Arts, filed 2016) - Multiplayer video game matchmaking optimization;
- Exhibit P-37:** Patent US9789406B2 (Activision Publishing, 2014) - System and method for driving microtransactions in multiplayer video games;

- Exhibit P-38:** Patent US10395279B1 (assignee Electronic Arts, filed 2014) - System and method for in-game calendar-based item promotion;
- Exhibit P-39:** Patent US10576379B1 (assignee Electronic Arts, filed 2018) - Systems and methods for adjusting online game content and access for multiple platforms;
- Exhibit P-40:** Patent US9138639B1 (Kabam Inc, assigned to Bank of Montreal in 2018) - System and method for providing in-game pricing relative to player statistics;
- Exhibit P-41:** Patent US9623335B1 (Kabam Inc, assigned to Bank of Montreal in 2018) - Access to an exclusive virtual section of an online game based on past spending behavior;
- Exhibit P-42:** Copy of Quebec Business Registry for Electronic Arts (Canada) Inc.
- Exhibit P-43:** Copy of webpage on EA Official Website, <https://www.ea.com/ea-studios/motive/studio>, titled "About Motive Studio"
- Exhibit P-44:** Copy of Quebec Registry of Personal and Moveable Real Rights for Electronic Arts (Canada) Inc.
- Exhibit P-45:** Copy of Quebec Business Registry for Beenox Inc.
- Exhibit P-46:** Copy of Quebec Business Registry for WB Games Montréal Inc.
- Exhibit P-47:** Copy of webpage on WarnerMedia Website, <https://warnermediacareers.com/global/en/job/R000052284/Senior-Designer-Live-Ops>, titled "Senior Designer – Live Ops"
- Exhibit P-48:** Copy of web page on EA Official Website, <https://ea.gr8people.com/jobs/168396/generalist-software-engineer-c-ea-sports?locale=en>, titled "Generalist Software Engineer – C++ - EA Sports"
- Exhibit P-49:** Copy of web page on EA Official Website, https://ea.gr8people.com/jobs/172064/lead-data-engineer?geo_location=ChIJDbdkHFQayUwR7-8fITgxTmU, titled "Lead Data Engineer at Electronic Arts"
- Exhibit P-50:** Copy of webpage on BioWare website, <https://www.bioware.com/games/>, titled "Games"
- Exhibit P-51:** Copy of November 17, 2016, article on www.ea.com/news titled "In Their Own words: Scott Horner.", <https://www.ea.com/en-ca/news/in-their-own-words-scott-horner>
- Exhibit P-52:** Copy of webpage on Beenox website, <https://beenox.com/call-of-duty-black-ops-3/>, titled "Call of Duty: Black Ops 3"
- Exhibit P-53:** Copy of webpage on Beenox website, <https://beenox.com/call-of-duty-modern-warfare-remastered/>, titled "Call of Duty: Black Ops Modern Warfare Remastered"
- Exhibit P-54:** Copy of webpage on Beenox website, <https://beenox.com/call-of-duty-black-ops-4/>, titled "Call of Duty: Black Ops 4"

Exhibit P-55: Screen capture of Injustice 2 Mobile's end credits, taken on May 17, 2022.

The exhibits in support of the application are available upon request.

Notice of presentation of an application

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

Montreal, May 27, 2022



Irwin Liebman
Liebman Légal Inc.
Attorneys for the Petitioner

NOTICE OF PRESENTATION

(Articles 146 and 574 CCP)

TO:

ELECTRONIC ARTS INC., legal person duly constituted, having its address of service at 1209 Orange Street, Wilmington, DE 19801 USA

and

ELECTRONIC ARTS (Canada), INC., legal person duly constituted, having its address for service at 1800 510 West Georgia St., Vancouver, BC, V6B 0M3, Canada

and

ACTIVISION BLIZZARD INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808

and

ACTIVISION PUBLISHING INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808

and

BLIZZARD ENTERTAINMENT INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808

and

TAKE TWO INTERACTIVE SOFTWARE INC., legal person duly constituted, having its address for

service at 251 Little Falls Drive,
Wilmington, Delaware, 19808

and

TAKE TWO INTERACTIVE CANADA HOLDINGS INC., legal person duly constituted, having its address for service at 5770 Hutontario St, Mississauga, Ontario, L5R 3G5

and

2K GAMES INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, Delaware, 19808

and

ROCKSTAR GAMES, legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, Delaware, 19808

and

WARNER BROS. ENTERTAINMENT INC., legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

WARNER BROS ENTERTAINMENT CANADA INC., legal person duly constituted, having its address for service at Suite 1600, 5000 Yonge Street, Toronto, Ontario, M2N 6P1

and

WARNER BROS. HOME ENTERTAINMENT INC, legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

UBISOFT ENTERTAINMENT SA, legal person duly constituted, having its address for service at 107, avenue Henri Fréville, Rennes, France, 35200

and

UBISOFT INC., legal person duly constituted, having its address for service at Law Office of Stephen S. Smith, PC, 30700 Russellrand Rd, Suite 250, Westlake Village, CA, 91362

and

UBISOFT ENTERTAINMENT INC. / UBISOFT DIVERTISSEMENTS INC., legal person duly constituted, having its address for service at 5000 - 5505 Blvd Saint-Laurent, Montréal (Québec), H2T1S6

and

MICROSOFT CORPORATION, legal person duly constituted, having its address for service at 1 Microsoft Way, Redmond, WA, 98052

and

MICROSOFT CANADA INC, legal person duly constituted, having its address for service at 600 - 1741 Lower Water Street, Halifax, NS, B3J 0J2

and

EPIC GAMES INC, legal person duly constituted, having its address for service at 201 - 2405 York Road, Lutherville Timonium, MD, 21093

and

EPIC GAMES CANADA ULC, legal person duly constituted, having its address for service at 2400 - 745

Thurlow Street, Vancouver, BC, V6E
0C5

and

SCOPELY INC., legal person duly constituted, having its address for service at c/o National Registered Agents Inc, 1209 Orange Street, Wilmington, DE, 19801

and

NIANTIC INC., legal person duly constituted, having its address for service at 3500 South Dupont Highway, Dover, Delaware, 19901

and

KING DIGITAL ENTERTAINMENT GROUP INC., legal person duly constituted, having its address for service at 1209 Orange St., Wilmington, DE 19801

and

KING.COM LTD., legal person duly constituted, having its address for service at Aragon House Business Center, Dragonara Rd, St Julians, Malta, STJ 3140

and

ZYNGA INC., legal person duly constituted, having its address for service at 251 Little Falls Drive, Wilmington, DE, 19808

and

ZYNGA GAME CANADA LTD., legal person duly constituted, having its address for service at 1600 - 925 West Georgia Street, Vancouver, BC, V6C 3L2

TAKE NOTICE that Petitioner's Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff will be presented before the Superior Court at **1 Rue Notre-Dame E, Montréal, Quebec, H2Y 1B6**, on the date set by the coordinator of the Class Action chamber.

GOVERN YOURSELF ACCORDINGLY.

Montréal, May 27, 2022



Irwin Liebman
Liebman Légal Inc.
Attorneys for the Petitioner

APPENDIX "A" – Affected Titles

LIST OF LOOT BOXES IN LOOT BOX RESPONDENTS' GAMES

ELECTRONIC ARTS

1. FIFA 09;
2. FIFA 10;
3. FIFA 11;
4. FIFA 12;
5. FIFA 13;
6. FIFA 14;
7. FIFA 15;
8. FIFA 16;
9. FIFA 17;
10. FIFA 18;
11. FIFA 19;
12. FIFA 20;
13. FIFA 21;
14. Madden NFL 10;
15. Madden NFL 11;
16. Madden NFL 12;
17. Madden NFL 13;
18. Madden NFL 25³;
19. Madden NFL 15;
20. Madden NFL 16;
21. Madden NFL 17;
22. Madden NFL 18;
23. Madden NFL 19;
24. Madden NFL 20;
25. Madden NFL 21;
26. NHL 11;
27. NHL 12;
28. NHL 13;
29. NHL 14;

³ Released for the 2014 gaming year to commemorate the 25th anniversary of the Madden NFL game franchise.

30. NHL 15;
31. NHL 16;
32. NHL 17;
33. NHL 18;
34. NHL 19;
35. NHL 20;
36. NHL 21;
37. NBA Live 14;
38. NBA Live 15;
39. NBA Live 16;
40. NBA Live 18;
41. NBA Live 19;
42. UFC 2;
43. UFC 3;
44. Apex Legends;
45. Battlefield 4;
46. Battlefield Hardline;
47. Battlefield 1 (2016);
48. Dragon Age: Inquisition;
49. Mass Effect 3;
50. Mass Effect: Andromeda;
51. Need for Speed: Payback;
52. Plants vs Zombies: Garden Warfare;
53. Plants vs Zombies: Garden Warfare 2;
54. Star Wars: The Old Republic;
55. Command & Conquer: Rivals;
56. Heroes of Dragon Age;
57. Plants vs Zombies 2: It's About Time;
58. Star Wars: Galaxy of Heroes;
59. The Sims Mobile;
60. WarFriends;
61. Such other games developed and published by the Electronic Arts Defendants that may become known to the Plaintiff;

ACTIVISION BLIZZARD

62. Hearthstone;
63. Heroes of the Storm;
64. Overwatch;
65. Destiny;
66. Destiny 2;
67. Call of Duty: Advanced Warfare;
68. Call of Duty: Black Ops III;
69. Call of Duty: Black Ops 4;
70. Call of Duty: Infinite Warfare;
71. Call of Duty: Modern Warfare Remastered;
72. Call of Duty: WWII;
73. Skylanders: Imaginators;
74. Such other games developed and published by the Activision Blizzard Defendants that may become known to the Plaintiff;

TAKE-TWO

75. Grand Theft Auto V / Grand Theft Auto Online;
76. NBA 2K13;
77. NBA 2K14;
78. NBA 2K15;
79. NBA 2K16;
80. NBA 2K17;
81. NBA 2K18;
82. NBA 2K19;
83. NBA 2K20;
84. NBA 2K21;
85. WWE 2K18;
86. WWE 2K19;
87. WWE 2K20;
88. Such other games developed and published by the Take-Two Defendants that may become known to the Plaintiff;

WB GAMES

89. DC Universe Online;
 90. Lord of the Rings Online;
 91. Middle-Earth: Shadow Of War;
 92. WWE Immortals;
 93. Such other games developed and published by the WB Games Defendants that may become known to the Plaintiff;
- 93.a. Injustice Mobile 2

UBISOFT

94. Assassin's Creed Identity;
95. Assassin's Creed Origins;
96. Brawlhalla;
97. For Honor;
98. Might & Magic Heroes: Era of Chaos;
99. Might & Magic: Chess Royale;
100. Might & Magic: Heroes Online;
101. Rayman Adventures;
102. South Park: Phone Destroyer;
103. The Mighty Quest for Epic Loot;
104. Tom Clancy's Elite Squad;
105. Tom Clancy's Ghost Recon Wildlands;
106. Tom Clancy's Rainbow Six Siege;
107. Tom Clancy's The Division;
108. Tom Clancy's The Division 2;
109. Such other games developed and published by the Ubisoft Defendants that may become known to the Plaintiff;

MICROSOFT

110. Ryse: Son of Rome;
111. Magic 2015: Duels of the Planeswalkers;
112. Halo 5: Guardians;
113. Rise of the Tomb Raider (Xbox);
114. Gears of War 4;

115. Forza Motorsport 6: Apex;
116. Halo 5: Forge;
117. Forza Horizon 3;
118. Killer Instinct: Definitive Edition;
119. Halo Wars 2;
120. Forza Motorsport 7;
121. PlayerUnknown's Battlegrounds (Xbox);
122. Forza Horizon 4;
123. Gears POP!;
124. Forza Street;
125. Such other games developed and published by the Defendant Microsoft that may become known to the Plaintiffs;

EPIC GAMES

126. Fortnite: Save the World;
127. Rocket League;
128. Such other games developed and published by the Defendant Epic Games that may become known to the Plaintiffs;

SCOPELY

129. The Walking Dead: Road to Survival;
130. Star Trek Fleet Command;
131. WWE Champions;
132. Marvel Strike Force;
133. Looney Tunes World of Mayhem;
134. Avatar: Pandora Rising;
135. Scrabble Go;
136. Yahtzee With Buddies;
137. Dice With Buddies;
138. Dice With Ellen;
139. Wheel Of Fortune Free Play;
140. Such other games developed and published by the Defendant Scopely that may become known to the Plaintiffs;

NIANTIC

141. Pokémon Go;
142. Harry Potter: Wizards Unite;
143. Such other games developed and published by the Defendant Niantic that may become known to the Plaintiffs;

KING

144. Candy Crush Saga;
145. Shuffle Cats;
146. Legend of Solgard;
147. Knighthood;
148. Such other games developed and published by the Defendant King that may become known to the Plaintiffs;

ZYNGA

149. CSR Racing 2;
150. Dawn of Titans;
151. Empires & Puzzles: Epic Match 3;
152. Farmville 2: Country Escape;
153. Farmville 2: Tropic Escape;
154. Merge Dragons!;
155. Merge Magic!;
156. Picker 3D; and
157. Such other games developed and published by the Defendant Zynga that may become known to the Plaintiffs.

CANADA

**SUPERIOR COURT
(Class Action Chamber)**

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N°.: 500-06-001132-212

GABRIEL BOURGEOIS

Plaintiff

-vs-

ELECTRONICS ARTS INC. ET ALS.

Defendants

**APPLICATION FOR PERMISSION TO AMEND THE AMENDED APPLICATION FOR
AUTHORIZATION TO INSTITUTE A CLASS ACTION & TO OBTAIN THE STATUS OF
REPRESENTATIVE PLAINTIFF
(Arti. 585 C.C.P.)**

ORIGINAL

BL 2520

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