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15	FOR THE COUNTY	OF LOS ANGELES
16		
17	EVETTE GIBSON as Guardian ad Litem and on behalf of IHG, a minor.	CASE NO.: 24STCV32897
18	Plaintiffs,	COMPLAINT FOR DAMAGES
19	v.	<ol> <li>Strict Product Liability – Design Defect</li> <li>Strict Product Liability – Failure to</li> </ol>
20		Warn
21	ROBLOX CORPORATION, EPIC GAMES,	<ol> <li>Negligence – Design</li> <li>Negligence – Failure to Warn</li> </ol>
22	INC., and JOHN DOES 1 - 50.	5. Common Law Negligence
23		<ul><li>6. Statutory Negligence</li><li>7. Intentional Misrepresentation</li></ul>
24	Defendants.	8. Negligent Misrepresentation
25		9. Fraud
26		10. Violations of California's Unfair Competition Law (Cal. Bus. & Prof.
27		Code, §§ 17200 et seq.)
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COMPLAINT

Plaintiff minor IHG, via their Guardian ad Litem Plaintiff EVETTE GIBSON, hereby brings this action against the above-captioned Defendants (hereinafter collectively referred to as "Defendants"), Roblox Corporation, Epic Games, Inc., and Does 1-50, to recover damages, pursuant to and under the laws of the State of California, arising from the severe injuries sustained because of IHG's use of Defendants' video game Products. In support thereof, Plaintiff alleges and states:

### **INTRODUCTION**

- 1. Many modern video games are fun and engaging adventures that allow individuals to immerse themselves in the world of games. This litigation is not a war on fun. Nor does it seek to curtail the creation and enjoyment of entertaining video games. Rather, this litigation seeks to hold each Defendant accountable for failing to warn and failing to include available safeguards against the known risks to minors associated with excessive use of their video game products (hereinafter collectively referred to as "Products") and choosing instead to implement programming that exacerbated these risks, to the detriment of minors like Plaintiff IHG, to increase their profits.
- 2. Defendants are aware that the more time an individual spends playing their respective games, the higher the likelihood that said individuals will make in-game purchases, thereby increasing Defendants' revenues.
- 3. Defendants are also aware that for more than four decades scientists have known about and studied video game addiction. Furthermore, Defendants are aware that for nearly two decades, science has shown that prolonged use of video games by minors can result in brain damage, cognitive decline, and physical and emotional deficits.
- 4. Despite being fully aware of these risks, Defendants marketed their respective games, Roblox and Fortnite, to minors without implementing simple safety features, such as adequate parental controls, warnings, or opt-in limits on time minors can spend in-game.
- 5. Instead, Defendants chose to add features to their games that they knew would be addictive to minors in order to maximize time spent by minors like Plaintiff IHG in their respective

<sup>&</sup>lt;sup>1</sup> MD Griffiths; Halley de Oliveira Miguel Pontes, *A History and Overview of Video Game Addiction*, The Oxford Handbook of Digital Technologies and Mental Health (Oct. 8, 2020) https://doi.org/10.1093/oxfordhb/9780190218058.013.2.

games, thus improving the odds of minors making in-game purchases, and thereby increasing Defendants' profits. Rather than taking necessary steps to mitigate the known risks associated with prolonged exposure of minors to video games, Defendants intensified the problem by causing and profiting from youth addiction.<sup>2</sup>

- Defendants' strategies have been extremely lucrative. As a result of Defendants' inclusion of addictive features in their respective games, they have collectively generated billions of dollars, while causing and/or contributing to a public health crisis for minors suffering from addiction to and disordered use of video games.
- 7. While there are countless video games on the market, many with similar game design and warning failures described herein, Defendants and their respective games Roblox and Fortnite have unique impacts on minors. As explained below, Defendants' marketing strategies specifically target youth. Accordingly, Defendants' games - Roblox and Fortnite - are often among the first online video games children play and the catalyst to an addiction cycle and disordered relationship with video games.
- 8. As set forth below, because of Defendants' marketing efforts, Roblox and Fortnite were among the first online video games played by Plaintiff IHG. As Defendants expected and intended from their decision to add addictive and manipulative programming to their Products instead of safety features, IHG became addicted to Roblox and Fortnite and developed a disordered relationship with video games. As a result, IHG suffers from severe emotional distress, diminished social interactions, lack of interest in other hobbies, and withdrawal symptoms such as rage, anger, and physical outbursts. Through this lawsuit, IHG seeks to hold Defendants accountable for their

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<sup>&</sup>lt;sup>2</sup> Addiction, as defined in the seminal article Addictive behaviors: Etiology and Treatment, published by the American Psychological Association in its 1988 Annual Review of Psychology, is:

<sup>&</sup>quot;a repetitive habit pattern that increases the risk of disease and/or associated personal and social problems. Addictive behaviors are often experienced subjectively as 'loss of control' the behavior contrives to occur despite volitional attempts to abstain or moderate use. These habit patterns are typically characterized by immediate gratification (short term reward), often coupled with delayed deleterious effects (long term costs). Attempts to change an addictive behavior (via treatment or self-initiation) are typically marked with high relapse rate."

decisions to place profits over safety, which directly and proximately resulted in IHG's significant harm.

9. The true names and capacities of the Defendants, Does 1-50, are unknown to Plaintiffs at the time of filing this Complaint and Plaintiffs, therefore, sue said Defendants by fictitious names and will ask leave of court to amend this Complaint to show their true names or capacities when the same have been determined. Plaintiff is informed and believes and thereon alleges that each of these fictitiously named Defendants are responsible in some manner for the occurrences alleged herein, and that Plaintiff's injuries and damage as alleged and set forth herein were proximately caused by such fictitiously named Defendants.

### **PARTIES**

### I. Plaintiff EVETTE GIBSON

- 10. Plaintiff EVETTE GIBSON is, and at all times relevant to this action was, a citizen and resident of the State of California whose principal place of residence is Los Angeles County, California.
- 11. Plaintiff EVETTE GIBSON is the mother of IHG and she serves as IHG's Guardian ad Litem and representative in this lawsuit.

### II. Plaintiff IHG

- 12. Plaintiff IHG, a minor, is, and at all times relevant to this action was, a citizen and resident of the State of California with a principal place of residence located in Los Angeles County, California. IHG is twelve (12) years old at the time of filing this lawsuit.
- 13. IHG began playing video games and using Defendants' Products at approximately eight (8) years old. Since that time, IHG has used and/or continues to use Defendants' Products at an increasing, uncontrollable, compulsive, and/or addictive pace. IHG has been injured and damaged, and continues to be injured and damaged, as a result of IHG's use of, and addiction caused by IHG's use of, Defendants' defective Products.

### III. Defendant Roblox Corporation

14. Defendant Roblox Corporation ("Roblox Corp.") is a Delaware corporation with its principal place of business at 910 Park Pl., San Mateo, California 94403.

15. Roblox Corp. is a video game developer and publisher who, at all times material hereto, designed, developed, tested, patented, assembled, manufactured, published, packaged, labeled, prepared, distributed, marketed, supplied, and/or sold its video game and platform, Roblox, either directly or indirectly, to members of the general public within the State of California, including to IHG.

### IV. Defendant Epic Games, Inc.

- 16. Defendant Epic Games, Inc. ("Epic Games") is a Maryland corporation with its principal place of business at 620 Crossroads Blvd, Cary, North Carolina 27518.
- 17. Epic Games is a video game developer and publisher who, at all times material hereto, designed, developed, tested, patented, assembled, manufactured, published, packaged, labeled, prepared, distributed, marketed, supplied, and/or sold the Fortnite video game series and platform, either directly or indirectly, to members of the general public within the State of California, including to Plaintiff IHG.

### **JURISDICTION AND VENUE**

- 18. Plaintiff IHG realleges and incorporates by reference all of the foregoing allegations as if repeated in full here.
- 19. This suit alleges causes of action seeking relief arising under the laws of the State of California, including but not limited to the allegation that as a direct and proximate result of the Defendants' Products and their negligent, deceptive, willful, immoral, reckless, and unlawful actions and inactions, representations and misrepresentations, including by omission, Plaintiff IHG suffered and continues to suffer injuries and damages within the State of California.
- 20. This Court has personal jurisdiction over Defendant Roblox Corp. because Roblox Corp. has its principal place of business in California and is "at home" in this State.
- 21. This Court has personal jurisdiction over Defendant Epic Games because it routinely conducts business in California and has sufficient minimum contacts in California, stemming from its activities whereby it has purposefully and intentionally availed itself of this jurisdiction and the benefits and protections of the laws of the State of California by marketing video game Products and transacting business in the State of California. Further, the controversy reflected in this action is

(Jan. 1, 2023).

directly affiliated with, related to, and arises from Defendant's contacts with the State of California. Next, Epic Games' registered agent for service of process is in California at CT Corporation System - 330 N Brand Blvd., Glendale, California, 91203. Plaintiff IHG is from the State of California and as a result of Defendant's contact with California, Plaintiff purchased and/or downloaded Defendant's games in California, Plaintiff played Defendant's games and subsequently developed an addiction to its game in California, and Plaintiff suffered severe harm as a result in California.

22. Venue is proper in this County because, among other things: (a) each Defendant directed its activities at residents in this County; (b) each Defendant conducted substantial business in this County; (c) a substantial part of the counts giving rise to this action occurred in this County; and (d) Plaintiff IHG was harmed in this County.

### **GENERAL FACTUAL ALLEGATIONS**

23. In 2023, 65% of Americans of all ages played video games every week.<sup>3</sup> In 2024, experts reported that roughly 85% of teenagers say they play video games, with 97% of boys and 73% of girls reporting video game usage.<sup>4</sup> Further, more than 90% of children older than two years old play video games, and "[c]hildren 8 to 17 years of age spend an average of 1.5 to 2 hours daily playing video games."<sup>5</sup> This research dramatically emphasizes the idea that video game usage has become fundamental in the life of an American child.

### I. Extensive Video Game Usage Damages Adolescent Brains

24. For almost two decades, research on the interaction between video game usage and the adolescent brain has shown that extensive usage has a severe impact on the adolescent brain, including loss of grey matter, which leads to severe physical and mental effects on the child. Many of these effects are indicators or consequences of Internet Gaming Disorder ("IGD"), which is the addiction to video gaming.

<sup>&</sup>lt;sup>3</sup> Crosby Armstrong, Video Games Remain America's Favorite Pastime With More Than 212 Million Americans Playing Regularly, Ent. Software Ass'n (Jul. 10, 2023),

https://www.theesa.com/video-games-remain-americas-favorite-pastime-with-more-than-212-million-americans-playing-regularly/.

<sup>&</sup>lt;sup>4</sup> Jeffrey Gottfried & Olivia Sidoti, *Teens and Video Games Today*, Pew Res. (May 9, 2024), <a href="https://www.pewresearch.org/internet/2024/05/09/teens-and-video-games-today/">https://www.pewresearch.org/internet/2024/05/09/teens-and-video-games-today/</a>. <sup>5</sup> Daniel Alanko, *The Health Effects of Video Games in Children and Adolescents*, Pediatr. Rev.

- 25. Research on the impacts of video game usage includes studies about the role dopamine plays in the brain during gameplay.
- 26. Video games can and do cause an intense dopamine release in the user that is similar in magnitude to that experienced by substance abuse or gambling. Dopamine is a neurotransmitter made in the brain that acts as a chemical messenger that communicates messages between nerve cells in the brain, as well as between the brain and the body. Dopamine serves as the brain's all-important "reward center" and, in addition, plays a critical role in several body functions including attention, mood, pleasurable reward and motivation, sleep, learning, and movement. The release of dopamine causes demonstrable physical, mental, and emotional responses in the human brain and body. This is especially true in minors, and particularly neurodivergent minors, whose brains are still developing. Increased dopamine releases can lead to withdrawal symptoms, including anger, irritability, or physical outbursts when the game is made unavailable.
- 27. The repetitive release of dopamine creates, reinforces, and strengthens a dysregulated or dopaminergic neural pathway that propels the user to hyperfocus on using the Products more and more, first at an increasing rate and then with compulsive desire until the impulse to use the Products develops into a disordered use or addiction.
- 28. Those dysregulated neural pathways trigger addictive, compulsive, and impulsive behaviors outside of the gaming world consisting of life-altering impulsivity and inhibitory control behaviors that can and do cause a myriad of catastrophic physical, mental, and emotional disorders, symptoms, and injuries, including other addictions, significant withdrawal symptoms, maldevelopment of the brain's frontal lobe, dissociative behaviors, social isolation, damage and/or negative consequences to cognitive processes, attention disorders, severe depression, morbid obesity, mal and/or undernutrition, and other harmful effects, all to the severe detriment and damage to the minor, and to the severe emotional detriment and pecuniary or economic damage to their families and caretakers.
- 29. Additional video game research reports the physical changes to the brain and brain matter as a result of gameplay.
  - 30. Research has shown that prolonged use of video games damages the prefrontal cortex

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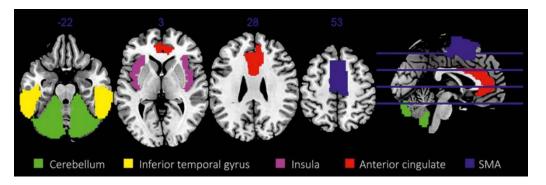
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of the user, causing a loss of grey matter, lower cognitive function, and an inability to regulate impulse control. Research has also concluded that such use of video games may lead to negative effects like stress, aggressive behavior, verbal memory deficiency, depression, lowered cognitive abilities, sleeping disorders, anxiety, and behavioral addiction disorders.

- 31. Clinical evidence has shown that users addicted to online games experience biopsychological symptoms and complications, including symptoms traditionally associated with substance abuse and addiction, such as hangovers, changes in mood, adaptability, withdrawal, conflict, and recurrence symptoms.
- 32. Empirical studies indicate that gaming disorders are associated with detrimental health-related outcomes.
- 33. Brain imaging studies have shown that use of video games negatively affects the brain regions responsible for reward, impulse control, and sensory-motor coordination.
- 34. Other studies have shown that disordered and/or excessive use of video games leads to negative consequences on cognitive processes, including multi-second time perception, inhibition, and decision-making.
- 35. The prefrontal cortex—the locus of judgment, decision-making, and impulse control—is still developing and undergoing major reorganization during adolescence. This region of the brain does not reach maximum capacity until the age of 25 to 30. The executive control center of the prefrontal cortex is essential to one's ability to healthfully weigh risks and rewards and for pausing the pursuit of immediate rewards in favor of more adaptive longer-term goals. The lack of full development of the prefrontal cortex is arguably why young people are more likely to engage in hours of use while ignoring basic needs like food, sleep, and hygiene. Without mature frontal lobes, minors are less able to weigh potential negative consequences and curb potentially harmful behavior like excessive use of video games, which further impacts frontal lobe development.

36. Brain imaging studies related to IGD have shown structural changes in the brain, particularly a reduction in white-matter density (consisting mostly of cells and axons that transmit signals from the cerebellum to other brain regions) and grey-matter volume (associated with emotions, perception, memory, and motor control). Specifically, studies showed several regions of the brain demonstrated reduction in grey-matter volume in gaming disorder participants, as depicted here:<sup>6</sup>



- 37. Brain activation studies have shown that the use of video games causes changes in the reward and impulse control regions of the brain, and that engaging with video games activates regions of the brain in a manner similar to the way the brain is activated in response to cue-exposure to drugs (whereby addicts are exposed to relevant drug cues to extinguish conditioned responses).
- 38. Additional brain activation studies have shown that individuals with gaming disorders have impaired inhibitions, and that video game cues activate craving, attention, and executive function areas of the brain. Those cognitive, sensory-motor, and emotional processes may be associated with long-term changes to the brain because of prolonged use of the Products. Regions that showed activation in response to video game cues in gaming disorder participants in more than two studies are depicted in the following image:<sup>7</sup>

<sup>&</sup>lt;sup>6</sup> Livny, Weinstein, and Weizman, New Developments in Brain Research of Internet and Gaming Disorder, 75 Neurosci. Biobehav. Rev. 314 (Apr. 2017).

<sup>&</sup>lt;sup>7</sup> Aviv Weinstein et al., Neurobiological Mechanisms Underlying Internet Gaming Disorder, 22(2) DIALOGUES CLIN. NEUROSCI. (2020).

Parahippocampal gyrus Orbitofrontal cortex Caudate Anterior cingulate Inferior frontal cortex Posterior cingulate DLPFC Precuneus

- 39. Structural studies of the brain have shown alterations in the volume of the ventral striatum (a critical component of motor and reward systems in the brain) are possible because of changes in reward regions of the brain. One comparison study of young adults with a mean age of 24 revealed that individuals who engage in excessive use of video games tend to have lower cognitive function, particularly in areas of verbal ability and working memory.
- 40. Research has shown that a neurodivergent minor with a diagnosis of Attention-Deficit Hyperactivity Disorder ("ADHD") or Autism Spectrum Disorder is at a higher risk of developing video game disorder or addiction, which can worsen one's ability to control impulsivity and result in brain damage.<sup>8</sup> Research has shown that while use of video games may foster creativity in some minors, such potential benefits are outweighed by the risk of developing addiction or disordered use of video gaming Products, which typically develops swiftly in minors and neurodivergent individuals. This is particularly true when the Products incorporate addictive and manipulative tactics, as well as other problematic psychological programing.

### II. Gaming Addiction Is A Recognized and Diagnosable Condition

41. Addiction to and disordered use of video games and internet gaming is a recognized, diagnosable mental disorder and form of behavioral addiction codified by the American Psychiatric Association's 2013 Diagnostic and Statistical Manual of Mental Disorders (DSM-5). The diagnostic symptoms of internet gaming disorder currently set forth in DSM-5 include: (1) Preoccupation with playing and/or using video games; (2) Withdrawal symptoms (sadness, anxiety, irritability, and/or other unpleasant symptoms) when access to play and/or use is removed, precluded, or reduced; (3)

<sup>&</sup>lt;sup>8</sup> Micah O. Mazurek & Christopher R. Engelhardt, *Video Game Use in Boys with Autism Spectrum Disorder, ADHD, or Typical Development*, 132 Am. Acad. of Ped. J.L. 2 (2013).

<sup>&</sup>lt;sup>9</sup> It is also recognized in the recently released Diagnostic and Statistical Manual of Mental Disorders, Text Revision (DSM-5-TR).

Tolerance - the need to spend more time playing and/or using video games to satisfy the urge and desire to do so; (4) Loss of Control or the inability to reduce video game playing and usage time and/or unsuccessful attempts to quit gaming; (5) Giving up other activities or loss of interest in previously enjoyed activities due to compulsion to play video games; (6) Continuing to play and use video games despite negative or problematic consequences; (7) Deceiving family members or others about the amount of time spent playing and/or using video games; (8) Using video games to "escape" or relieve negative moods, such as guilt or hopelessness; and (9) Jeopardized school or work performance or relationships due to playing and/or using video games.

- 42. Nationally recognized institutions such as the Cleveland Clinic and the National Center for Biotechnology Information (NCBI) also recognize video game addiction and categorize the addiction as falling under the general category of IGDs.<sup>10</sup>
- As of 2022, "Gaming disorder"—disordered use of and/or play with video gaming Products—is a recognized mental health disorder by the World Health Organization and International Statistical Classification of Diseases and Related Health Problems. "Gaming disorder" is included within the subcategory "ICD-11" entitled "Disorders due to substance use or addictive behaviors." "Gaming disorder" is defined in the 11<sup>th</sup> revision of the International Classification of Diseases as a pattern of persistent or recurrent gaming behavior, specifically "digital gaming" or "video-gaming," which may be online or offline, manifested by: impaired control over gaming (e.g., onset, frequency, intensity, duration, termination, context); increasing priority given to gaming to the extent that gaming takes precedence over other life interests and daily activities; and continuation or escalation of gaming despite the occurrence of negative consequences.

### III. Historical Development and Modernization of Video Games

44. The term "video game" is defined by California Civil Code §§ 1746-1746.5 as "any electronic amusement device that utilizes a computer, microprocessor, or similar electronic circuitry

Other disorders found in that subcategory include alcoholism and gambling addiction.

<sup>&</sup>lt;sup>10</sup> Shabina Mohammad, Raghad A Jan, & Saba L Alsaedi, *Symptoms, Mechanisms, and Treatments of Video Game Addiction*, Cureus (Mar. 31, 2023).

<sup>12</sup> Jasmine Katatikarn, *Online Gaming Statistics and Facts: The Definitive Guide (2024)*, Acad. of Animated Art (Jan. 16, 2024), <a href="https://academyofanimatedart.com/gaming-statistics/">https://academyofanimatedart.com/gaming-statistics/</a>.

- 12 
COMPLAINT

games to be downloaded for no or minimal cost and generate revenue through purchases made within the game.

- 54. In-game purchases can include, but are not limited to, cosmetic customizations for the player's character (*e.g.*, hats, uniforms, hair styles), "boosters" that help their character perform better or progress faster within the game, and "season passes" that allow players to access exclusive ingame content.
- 55. Many of these in-game purchases are relatively low cost, leading to them being termed "microtransactions."
- 56. In-game items available for purchase are often heavily advertised to players through means such as in-game pop-up advertisements during gameplay, loading screens while users wait for gameplay to start, and in-game stores.
- 57. Many games also offer game-branded products such as toys, energy drinks, apparel, bedding, home goods, board games, and more.
- 58. Game developers that offer their games at no or low cost, such as Roblox and Fortnite, rely on these microtransactions to turn a profit. Indeed, the design and marketing strategy associated with such games is rooted, in part, in the theory that the revenue from the on-going microtransaction system will outweigh the revenue from a one-time-purchase game. That is because microtransaction spending can easily add up to hundreds, or even thousands, of dollars from an individual user.
- 59. Accordingly, modern gaming companies are enlisting Ph.D. behavioral psychologists and using research to implement programming into their games that will addict players with a goal of increasing the amount of time spent in game, thereby prolonging their exposure to in-game marketing for in-game purchases in order to improve the odds players will engage with microtransactions that generate profits for the game developer.
- IV. Psychological Techniques and Programming Choices Game Developers Use to Create Addiction, Drive Microtransactions, and Increase Profits.

# A. Operant Conditioning

60. Modern game developers, including Defendants, employ(ed) and/or consult(ed) with child development experts and/or psychologists to assist with the design and development of their

games and/or gaming platforms, and to analyze the effects of game design on user behavior.

- 61. Upon information and belief, modern game developers, including Defendants, knew that minors were engaging with their Products and utilized their child development experts and/or psychologists to design their games to attract and addict minors to their Products.
- 62. Upon information and belief, the analyses performed by Defendants' behavioral experts and/or psychologists revealed that when video games that are programmed to incorporate "operant conditioning" that targets users' dopamine receptors, the operant conditioning triggers the users' desire to hyperfocus on using and overusing the Products.
- 63. "Operant conditioning" is a form of behavioral manipulation that uses rewards and punishments to influence behavior. Through operant conditioning, rewarded behavior is likely to occur more frequently, while the frequency of punished behavior decreases.
- 64. In the context of video games, video game developers including Defendants, relied upon these psychological analyses to program their games to employ operant conditioning in order to addict players and manipulate them into making profitable decisions for the game developers, such as spending more time playing their respective games and engaging in microtransactions.

## B. <u>Development and Use of Patented Programming</u>

- 65. In addition to relying on their own studies to make programming decisions, game developers, including Defendants, developed, licensed, and otherwise utilized patented programming algorithms in their games that were intended to addict players, increase time spent in-game, and drive micro-transactions. By way of example:
  - a. U.S. Patent No. 20160005270-A1, is a "matchmaking" patent that uses historical player data and analytics to create a system for driving microtransactions in a multi-player game. This "matchmaking" patent is used in Products, like Defendants' at issue here, and can be summarized as a "system and method ... that drives microtransactions in multiplayer video games. The system may include a "microtransaction arrange match[] 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." The system for driving microtransactions is comprised of a host computer having one or more physical processors programmed with computer program instructions that, when executed by the one or more physical processors, cause the host computer to: identify an in-game item that is relevant to a first player, but not yet possessed by the first player for gameplay in a multi-player game; identify a second player that possesses the in-game item; and match the first player and the second player to play in a gameplay session to encourage purchase of the in- game item by the first player, wherein the matching is based on: (i) the relevance of the in-game item to the first player, and (ii) the possession of the ingame item by the second player. This system is further programmed to determine that the first player has purchased the in-game item in relation to the gameplay session; determine a subsequent gameplay session that caters to use of the ingame item; and match the first player to play in the subsequent gameplay session to encourage future purchases.

- b. U.S. Patent No. 9623335-B1 utilizes a "user spend parameter value" to "determine which users should be provided with access to an exclusive virtual section of the online game," such as a virtual shop "present[ing] high-end, or expensive virtual items." This prevents the game from losing the opportunity "to extract additional value from users inclined to spend money."
- c. U.S. Patent No. 9138639-B1 creates a dynamic pricing system which modifies the "pricing of in-game virtual items associated with [players'] experience and their progress in the game." In this way, "while all players may receive a message for a particular item, the cost for each player may be more or less than other players based on the individual's in-game statistics."
- d. U.S. Patent No. 9795886-B1 allows new users to purchase in-game support more cheaply than experienced users. Particularly, the system determines "prices for a

protection extension in an online game" based on "the user's power and/or strength in a game." This allows a less experienced player to "build up their strength in a game, thus promoting further player engagement."

- e. U.S. Patent No. 9403093-B2 is a "dynamic" pricing patent that encourages users to make purchases on multiple game devices or platforms by providing incentives for such "cross platform game play." In particular, "[t]he system may monitor the player's performance on a particular console and provide incentives to accomplish tasks through game play on a different platform than the player is currently operating to play the game."
- f. U.S. Patent No. 9626475-B1 creates an exclusive, time-limited, event-based currency. During such an event, players may acquire a second type of virtual currency in addition to other forms of virtual currency. The event-based currency may be purchased with real-world money, and after the event, the event-based currency may become unusable by or unavailable to the users.
- g. U.S. Patent No. 9666026-B1 provides offers that "decrease in value based on previous acceptances of the offers" in order to create a sense of urgency in relation to the virtual items. Offers provided "may include a first offer having a first value that progressively decreases based on an amount of users that have previously accepted the first offer in order to incentivize early acceptance of the first offer."
- h. U.S. Patent No. 9808708-B1 adjusts "virtual item bundles made available to users of an online game based on user gameplay information." This allows the game to increase the price of an item bundle for a user with less cost sensitivity associated with items that the user enjoys.
- 66. Upon information and belief, many game developers, including each Defendant, licenses one or more of the above technology patents, and/or other patents similar thereto, and incorporate said technology into their respective video game Products with the intention of creating addiction and profits.

# C. Operant Conditioning, Patented Technology, and Game Design Choices Increase Time Spent In-Game and Revenue Generated by Microtransactions.

- 67. Using operant conditioning and patented technology, video game developers, including Defendants, analyze the skill level and behavior of the user and customize their experience to maximize the time spent in-game, during which the user is bombarded with solicitations to purchase additional in-game downloadable game content.
- 68. In so doing, video game developers, including Defendants, exploit an information asymmetry between themselves and the user. This allows game developers, including the Defendants, to use their knowledge of the user's skill, game-related preferences, available funds, and/or playing and spending habits to present in-game downloads and purchase offers that are predetermined to maximize a user's expenditure of real money.
- 69. For example, in some instances, video game developers, including Defendants, increase the difficulty of the game as the player's skill increases, thereby increasing the amount of time it takes for the player to achieve repeated success. During the extra time it now takes for the player to achieve success, the player is exposed to repetitive advertisements for desirable in-game items that can be obtained through points earned over time through continued and prolonged gameplay or instantaneously using in-game or real-world currency.
- 70. Likewise, game developers, including Defendants, may offer "season passes" in which players can pay real-world money to obtain access to exclusive items that are available to be purchased for a limited time through points earned during game play. Game developers incentivize players that have purchased "season passes" to engage in prolonged game sessions during the "season" to earn sufficient points to collect each exclusive item. Once again, however, by design game difficulty is dynamic resulting in players needing to play longer to obtain the results they desire, all while being exposed to advertisements for additional in-game products.
- 71. Critical to the Defendants' revenue, such continued schemes with little to no restriction on the amount of spending in the payment interface also makes it easy for minor users to fail to understand the value of the actual money being spent which allows for more easeful and continuous spending of real money.

72. These and other schemes—all of which the Defendants knowingly incorporate into the design features of the Products—use psychological mechanisms, behavioral psychology, and neuroscience to encourage repeated use and increased spending by users, especially minors who are vulnerable to these tactics and which serve to deepen their disordered or addicted use.

### V. Addictive Game Design Features Cause Significant Harm to Minors

- 73. The human population most vulnerable to the combination of game developers' microtransaction methodology and addictive operant conditioning design features are minors. Minors who are neurodivergent are even more susceptible to becoming addicted. Video game developers, including Defendants, know this, but nonetheless purposefully design(ed) their games to exploit that vulnerable population, causing injury and detriment, including to Plaintiff IHG. Doing so has yielded the intended results: video game developers, including Defendants, have earned extraordinary financial revenue from this group of users as a result of placing their addictive Products targeted to minors into the stream of commerce.
- 74. The Defendants knew or were aware, or should have known and should have been aware, that their Products were and are dangerous and harmful to users, particularly minors, when used as intended and in a reasonably foreseeable manner. In fact, the Defendants intentionally cause(d) and design(ed) their Products to most effectively cause users with developing brains to become addicted or disordered in their desire to use the Products. To that end, upon information and belief, the Defendants employ(ed\_ behavioral psychologists and/or neuroscientists to develop Products that incorporate design features premised upon psychological tactics engineered to keep users engaged in using the Products for longer and longer periods of time.
- 75. The microtransactions and other technologies, designs, features, mechanisms, algorithms, artificial systems, programs, and other processes the Defendants incorporated into the Products were implemented in a manner such that users (and, when users are minors, their caretakers) do not understand and have no way of understanding (or uncovering through reasonable diligence) that their use of the Products involves engagement with intentionally addictive design features that are physically damaging to their brains and bodies, and financially rewarding to the Defendants.

78. Each of the Defendants, with knowledge of Plaintiff IHG's age and California residency, targeted IHG with manipulative programming to prolong use of their Products in hopes of inducing them to engage in microtransactions during their use of the Products. As a result of IHG's use of the Defendants' video game Products, and because of the addictive design features incorporated into the Products, IHG was injured and damaged as herein alleged.

### VI. Roblox

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### A. Roblox Gameplay Basics

- 79. Roblox is a video game and platform that was developed and published by Roblox Corp. The game was released in September of 2006.
- 80. At present, Roblox has 88.9 million daily active users<sup>13</sup> and over 217 million monthly active users.
  - 81. More than 45% of the consumers playing Roblox are under age 13. 14
- 82. Roblox is available to play on gaming consoles, computers, tablets, and cellular devices.
- 83. Roblox is an online game that is free to download and play, making it easily accessible to all users, including minors.
  - 84. Individuals that wish to play Roblox must create a Roblox account.

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<sup>13</sup> Roblox Corp. Homepage, <a href="https://corp.roblox.com/">https://corp.roblox.com/</a> (last visited Nov. 25, 2024).

<sup>&</sup>lt;sup>14</sup>The Roblox User Base, Roblox Creator Hub, <a href="https://create.roblox.com/docs/production/roblox-user-base">https://create.roblox.com/docs/production/roblox-user-base</a> (last visited Aug. 23, 2024).

roblox (last visited Aug. 23, 2024).

<sup>- 20 -</sup>COMPLAINT

levels within certain games, the ability to trade items with other users, and a stipend of Robux that defray the purchase cost of the Premium Membership.

- 94. Roblox gameplay is unique and different from many "traditional" games. When an individual "plays" Roblox, they open the Roblox program, where they are presented with myriad games (known as "experiences") they can play.
- 95. These games are sorted into different genres/categories, including but not limited to: Sports, Role-Playing Games (RPG), Fighting, First Person Shooters (FPS), Horror, Comedy, Military, and Naval.
- 96. The games available to any particular user will vary based upon the age they entered when generating their account and Roblox's algorithm that recommends games to the user.
- 97. While within the Roblox platform, players can jump back and forth between the games Roblox presents to each player.
- 98. Most games available on the Roblox platform were not directly made by Roblox Corp. Rather, the Roblox platform includes a game design feature whereby users can generate their own games and make them available on the Roblox platform for others to play.

### B. Roblox Corp.'s 2024 Changes to Safety Settings

- 99. In November of 2024, Roblox Corp. announced "major updates to [its] safety systems and parental controls." It claimed these updates were implemented because "safety is and always has been foundation to everything [it does] at Roblox." <sup>17</sup>
- 100. The changes Roblox Corp. made in 2024 included new labels for categories of content, changes to viewable content for each age group, parental controls for minors' screen time usage, and a new minimum age at sign up.
- 101. Prior to the 2024 changes, Roblox Corp. allowed all users, regardless of age, to view any content other than that marked "17+" In fact, users as young as 2 or 3 could view any content on the platform that was not protected by age verification. Beginning in 2024, Roblox Corp. imposed

<sup>&</sup>lt;sup>16</sup> Major Updates to Our Safety Systems and Parental Controls, Roblox Newsroom, <a href="https://corp.roblox.com/newsroom/2024/11/major-updates-to-our-safety-systems-and-parental-controls">https://corp.roblox.com/newsroom/2024/11/major-updates-to-our-safety-systems-and-parental-controls</a> (last visited Nov. 25, 2024).

<sup>17</sup> Id.

stricter limits on the content viewable to users that represent they are younger than 9 years old. Even after these changes, however, users that represent they are older than 9 can still access all content not marked as "17+".

- 102. Until 2024, Roblox Corp. did not provide parental controls for minors' screen time and usage on Roblox. Roblox Corp. could have allowed parent-imposed time limits, but instead chose not to allow parents to set time limits on their minor's Roblox account for over eighteen years of operation.
- 103. Until approximately September of 2024, Roblox Corp. allowed users to represent their age as young as one year old and have access to virtually all content on the platform. Even now, parents whose minors are over the age of 12 cannot set restrictions on spending limits, set time limits, change privacy settings, or manage friends and communication on their minor's account. 18
- 104. The implementation of these restrictions and changes by Roblox Corp. in 2024 demonstrates its understanding of its responsibility to implement such restrictions and safety measures, and further, demonstrates how easily Roblox Corp. can implement restrictions and safety measures in general. These changes also demonstrate that Roblox Corp. has control over access to not only its platform, but the games users are able to access on its platform. The changes that Roblox Corp. implemented this year did not require game by game review by Roblox but instead were implemented as system-wide updates.

### C. Roblox's Monetization of Addictive Game Design

- 105. Roblox Corp. designed the game-creation aspect of its Product to allow users to create their own Roblox video games for play and purchase by other Roblox users, including minors. Though third parties create the games, Roblox Corp. profits from many of the games created on its platform.
- 106. Roblox Corp. constructed a "Creator Hub" on its website. The Creator Hub provides users with instructions (including "how-to" videos) from Roblox Corp. on how users can create their

28 | 18 "17+" content is now known as "Restricted" content on Roblox.

<sup>25</sup> Roblox Creator Hub, https://create.roblox.com/ (last visited Dec. 2, 2024).

COMPLAINT

115. O	one of the tools featured on Roblox's Creator Hub is a "season pass." As described		
above, a season p	pass allows players to pay real-world money to obtain access to exclusive items that		
are available to be purchased for a limited time through points earned during game play. Compl.			
70. Roblox's Creator Hub encourages the use of season passes to motivate players to continue playing			
Developers' games, create a sense of urgency regarding items offered for the season, and create			
anticipation for the next season to keep players coming back. <sup>26</sup>			

116. Roblox Corp. therefore encourages and gives step-by-step instructions for Developers to incorporate Roblox's harmful and addictive algorithms, programming, and strategies, including microtransactions and games without warnings or time restrictions, as described hereafter, into each of their games resulting in Roblox Corp. earning significant profits from each game it helped design, host, and promote on its platform.

### D. Roblox Specifically Markets to Minors Yet Lacks Adequate Safety Features

- 117. Roblox Corp. does not adequately inform users of the inherent risks involved with using and playing Roblox or that the Product was designed to make users play more to their potential harm.
- 118. Instead, Roblox Corp. provides users, potential users, and guardians false assurances of safety. <sup>27</sup> For example, Roblox Corp. states that:
  - a. it has "built a platform with safety at the foundation." 28
  - b. it "spend[s] hundreds of millions of dollars each year to meet [its] safety mission."<sup>29</sup>
  - c. users should "learn about how Roblox's commitment to safety and civility helps students grow." 30

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<sup>25</sup> Season Pass Design, Roblox Creator Hub. <a href="https://create.roblox.com/docs/production/game-design/season-pass-design">https://create.roblox.com/docs/production/game-design/season-pass-design</a> (last visited Sept. 3, 2024).

<sup>&</sup>lt;sup>27</sup> Matt Kaufman, CFO, *Driving Civility and Safety for All Users*, <a href="https://corp.roblox.com/newsroom/2024/07/driving-civility-and-safety-for-all-users">https://corp.roblox.com/newsroom/2024/07/driving-civility-and-safety-for-all-users</a> (last visited Aug. 23, 2024).

<sup>&</sup>lt;sup>28</sup> Education, Roblox, <a href="https://education.roblox.com/">https://education.roblox.com/</a> (last visited Aug. 28, 2024).

 $<sup>\</sup>int_{0.0}^{29} Id.$ 

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<sup>&</sup>lt;sup>35</sup>Parents: How to Link Your Child's Account, Roblox, <a href="https://en.help.roblox.com/hc/en-us/articles/30428321333140-Parents-How-to-Link-Your-Child-s-Account">https://en.help.roblox.com/hc/en-us/articles/30428321333140-Parents-How-to-Link-Your-Child-s-Account</a> (last visited Nov. 25, 2024).

<sup>| 36</sup> What Happens As I Get Older On Roblox?, Roblox Support, https://en.help.roblox.com/hc/en-us/articles/30428367965460-What-happens-as-I-get-older-on-Roblox#:~:text=In%20most%20regions%2C%20after%20a,limits%20will%20no%20longer%20ap

ply. (last visited Nov. 25, 2024).

- 130. During gameplay, there are no warnings labels, banners, or messaging informing minor users of the known risks and harms stemming from the use of Roblox Corp.'s Product. Users are not provided with information regarding potential physical and mental harm associated with gameplay.
- 131. Roblox Corp., while touting safety as a core value of its company, chooses not to implement meaningful safety features, understanding that changes in parental controls and safety features will reduce time spent in-game and, ultimately, revenue.

### E. Roblox was Designed with Intentionally Placed, Addictive Features

- 132. Roblox Corp. knows that minors and those who are susceptible to addiction are using its Product. Roblox Corp. knows its Product incorporates addictive designs that pose risks of causing users to develop dangerous and disordered use and overuse of the Product. In fact, Roblox Corp. developed addictive strategies, game designs, and monetization schemes and then instructed those developing "experiences" for its platform to incorporate those addictive features—into their games that would be offered to minors. Nonetheless, Roblox Corp. chose to not inform the consuming public at large, users, or parents of minors who are users, of such risks.
- 133. Upon information and belief, Roblox Corp. designed Roblox and the addictive strategies, game designs, and monetization schemes offered in its game design studio in conjunction with psychologists, neuroscientists, and other behavioral experts to ensure the addiction of minor and neurodivergent users.
- 134. Roblox Corp. admits to consulting child development experts for aspects of game development:<sup>37</sup>

# How is an Age Recommendation determined?

Roblox's age recommendations are grounded in child development research and informed by industry standards. To determine which audiences an experience is generally suitable for, we examined global industry standards and consulted child development experts.

<sup>&</sup>lt;sup>37</sup> Allowed Experience Controls, Roblox, <a href="https://en.help.roblox.com/hc/en-us/articles/8863284850196-Allowed-Experiences-Controls">https://en.help.roblox.com/hc/en-us/articles/8863284850196-Allowed-Experiences-Controls</a> (last visited Aug. 28, 2024).

136. The use of microtransactions within an otherwise free Product, a lack of warnings about the harms of use, no self-imposed limits on playtime, and other features described herein are all examples of Roblox Corp. employing these psychological tactics

137. Roblox Corp. designed Roblox with addictive properties to take advantage of the chemical reward system of a user's brain (especially a minor or neurodivergent person) to create addictive engagement, while knowing that abuse, compulsive use, and addiction in minors and neurodivergent individuals can lead to brain damage and injury, including but not limited to dissociative behavior, withdrawal symptoms, social isolation, negative consequences on cognitive processes, and other harmful effects.

138. Roblox Corp. did not inform the public that it designed Roblox with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse, addiction, and compulsive use by minors and neurodivergent individuals can lead to injury.

139. Roblox Corp. designed Roblox with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse, addiction, and compulsive use by minors and neurodivergent individuals can lead to brain damage and injuries but concealed this information from the public and Product users, including Plaintiff IHG.

140. Roblox Corp. misrepresented Roblox as safe for use by minors and neurodivergent individuals, while knowing it had been designed and developed with addictive psychological features to keep users playing Roblox more often and for longer periods of time, and while knowing that abuse, addiction, and compulsive use by minors can lead to injury, such that Roblox poses significant risk of harm to users.

<sup>&</sup>lt;sup>38</sup> See, e.g., Erica Snow, LINKEDIN, <a href="https://www.linkedin.com/in/erica-snow-phd-75272b39">https://www.linkedin.com/in/erica-snow-phd-75272b39</a> (last visited Sept. 4, 2024); Philip Simmons, LINKEDIN, <a href="https://www.linkedin.com/in/philippsimmons">https://www.linkedin.com/in/philippsimmons</a> (last visited Sept. 4, 2024); Carissa Kang, LINKEDIN, <a href="https://www.linkedin.com/in/carissakang">https://www.linkedin.com/in/carissakang</a> (last visited Sept. 4, 2024).

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# VII.

141.

**Fortnite** 

#### **Fortnite Gameplay Basics** A.

- 142. Fortnite is an online video game and game platform designed, developed, and published by Epic Games.
  - 143. Fortnite is free to play, making it easily accessible to all users, including minors.

Roblox Corp. marketed Roblox as safe for all ages without warning of the addictive

- Fortnite was first released in 2017 and is now available in three distinct game mode 144. versions that share the same general design and engine.
- 145. Fortnite: Battle Royale is a free-to-play battle royale game in which up to 100 users fight in a progressively shrinking arena to be the last person standing. Users can play alone, in a duo, or in a "squad" of 3-4 players. When users land "inside the game," the user must scavenge for weapons, items, resources, and vehicles while trying to stay alive, attack, and eliminate other users. Battle Royale is frequently Fortnite's most popular game and is the game mode to which many attribute Fortnite's success.<sup>39</sup>
- 146. Fortnite: Save the World is a cooperative hybrid tower defense-shooter and survival game in which up to four users fight off zombie-like creatures and defend objects with traps and fortifications they can build. Users are awarded a number of in-game items from and during missions, including hero characters, weapon and trap schematics, and survivors, all of which can be leveled up through gained experience to improve their attributes. Save the World is the only pay-to-play game mode of the Fortnite franchise.
- 147. Fortnite Creative is a sandbox game mode in which users are given complete freedom to create worlds by spawning any item from Battle Royale on a personal island and can create games such as battle arenas, racecourses, platforming challenges, and more.

<sup>&</sup>lt;sup>39</sup> The Week Staff, What is Fortnite and Why is it So Popular?, The Week, https://theweek.com/93700/fortnite-battle-royale-news (Aug. 3, 2018).

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<sup>40</sup> This statistic is as of July 2023. *Fortnite Player Count: How Many People Play the Game?* The Econ. Times (Jul. 14, 2023), <a href="https://economictimes.indiatimes.com/news/international/us/fortnite-player-count-how-many-people-play-the-game/articleshow/101767141.cms?from=mdr">https://economictimes.indiatimes.com/news/international/us/fortnite-player-count-how-many-people-play-the-game/articleshow/101767141.cms?from=mdr</a>.

<sup>41</sup> Sunil Gill, *Fortnite Revenue*, *Player Count & Net Worth 2024*, Priori Data (Apr. 1, 2024), https://prioridata.com/data/fortnite-statistics/.

aware and markets Fortnite to consumers of all ages, and particularly to minors.

42 What is the Battle Pass? Where Can I Learn More?, Fortnite Support,

https://www.epicgames.com/help/en-US/c-Category Fortnite/c-Fortnite Gameplay/what-is-the-battle-pass-where-can-i-learn-more-a000084706 (last visited Sept. 3, 2024).

154. Despite its T rating, survey results from 2019 show that 53% of U.S. children aged 10-12 played Fortnite weekly, compared to 33% of U.S. teens aged 13-17.<sup>43</sup>

155. Even though most Fortnite games are rated T, Fortnite (specifically Battle Royale) has engaged in numerous collaborations with child-friendly entities such as Disney, LEGO, Marvel, NERF, Air Jordan, DC Comics, PAC-MAN, the NFL, Ninja, Rocket League, Ghostbusters, Star Wars, TRON, Neymar Jr., the NBA, LeBron James, Ariana Grande, Naruto, Naomi Osaka, Indiana Jones, Dragon Ball, Spiderman, Batman, TikTok, The Nightmare Before Christmas, Wreck-It Ralph, Lewis Hamilton, Teenage Mutant Ninja Turtles, Nike, Pirates of the Caribbean, and more.<sup>44</sup>

156. Most, if not all, of these collaborations are geared towards a wide audience that unmistakably includes minors under the age of 13. Many young children watch Disney movies, play with LEGOs, or listen to the music of pop stars like Ariana Grande. Epic Games is explicitly and intentionally marketing its Fortnite games to young children by collaborating with the above entities.

157. Not only does Epic Games engage in in-game collaborations, but they also have physical merchandise they produce or sponsor, most of which are toys or children's items. For example, Fortnite creates plastic toy loot boxes and battle boxes, action figures, NERF guns, trading cards, board games, motorized toy cars, LEGO sets, and Halloween costumes. Fortnite has partnered with children's toymakers like Hasbro to create some of these items.

158. Epic Games knows that young children play Fortnite.

159. Epic Games organizes its advertisement and collaboration strategies around the interests of young children. And in 2024, Epic Games' projected annual revenue is \$5.8 billion. As a result of, in part, its partnership strategies, Epic Games will make a significant portion of that \$5.8 billion from young children and their families, while its partnerships further encourage children under 13 to keep using its Products.

<sup>43</sup> National Research Group, *Fortnite: The New Social Media?* (June 4, 2019), *available at* <a href="https://assets.ctfassets.net/0o6s67aqvwnu/5z4ja8fNx2NputEG49AVWs/ff1f591ad988f9a30856bab68e3908bb/NRG">https://assets.ctfassets.net/0o6s67aqvwnu/5z4ja8fNx2NputEG49AVWs/ff1f591ad988f9a30856bab68e3908bb/NRG</a> Fortnite White Paper.pdf.

<sup>44</sup> Josh Taylor, *Every Single Fortnite Collab & Crossover in Battle Royale's History*, Dexerto (Aug. 26, 2024), <a href="https://www.dexerto.com/fortnite/every-fortnite-collab-crossover-battle-royale-history-1645672/">https://www.dexerto.com/fortnite/every-fortnite-collab-crossover-battle-royale-history-1645672/</a>.

<sup>45</sup> Josh Howarth, *Fortnite User and Growth Stats 2024*, Exploding Topics (Jul. 22, 2024), https://explodingtopics.com/blog/fortnite-stats.

160. Epic Games designed Fortnite with numerous psychological tactics to take advantage of the chemical reward system of a user's brain (especially a minor or neurodivergent person) and to create addictive engagement, while knowing that abuse, addiction, and compulsive use by minors and neurodivergent individuals can lead to injury, including but not limited to brain damage, dissociative behavior, withdrawal symptoms, social isolation, negative consequences on cognitive processes, and other harmful effects.

- 161. Epic Games actively employs or has employed psychologists and behavioral experts within its User Experiences department and Online department.<sup>46</sup>
- 162. Upon information and belief, Epic Games designed Fortnite in conjunction with psychologists and other behavioral experts to ensure the addiction of minor and neurodivergent users.
- 163. The use of microtransactions within an otherwise free Product, a lack of warnings about the harms of use, no self-imposed limits on playtime, and other features described herein are all examples of Epic Games employing these psychological tactics.
- 164. Epic Games failed to disclose that it designed the Fortnite Products with numerous psychological tactics to take advantage of the chemical reward system of a user's brain (especially a minor or neurodivergent person) and to create addictive engagement, while knowing that abuse, addiction, and compulsive use by foreseeable users, *i.e.*, minors and neurodivergent individuals, can lead to brain damage, abuse, compulsive use, addiction, and other injury, and, as such, the Products pose significant risk of harm.
- 165. Epic Games knew that its Fortnite Products contained an inherent risk of abuse, addiction, and compulsive use by minors and the harms that arise therefrom, but instead of disclosing

<sup>&</sup>lt;sup>46</sup> See, e.g., Ben Taels, LINKEDIN, <a href="https://www.linkedin.com/in/ben-taels-06913a15">https://www.linkedin.com/in/ben-taels-06913a15</a> (last visited Sept. 4, 2024); Celia Hodent, LINKEDIN, <a href="https://www.linkedin.com/in/celiahodent">https://www.linkedin.com/in/celiahodent</a> (last visited Sept. 4, 2024); Video Games, Psychology, and the User Experience with Dr. Celia Hodent (Epic Games), NC State University Libraries, <a href="https://www.lib.ncsu.edu/events/video-games-psychology-and-user-experience-dr-celia-hodent-epic-">https://www.lib.ncsu.edu/events/video-games-psychology-and-user-experience-dr-celia-hodent-epic-</a>

games#:~:text=Video%20Games%2C%20Psychology%2C%20and%20the,Games)%20%7C%20NC%20State%20University%20Libraries (Feb. 2, 2016); Katelyn Procci, LINKEDIN, https://www.linkedin.com/in/katelynprocci (last visited Sept. 4, 2024).

such harms, Epic Games marketed Fortnite as "educational" and safe for use by minors (inside and outside the classroom).

- 166. Epic Games misrepresented Fortnite as educational and safe for use by minors and neurodivergent individuals, including IHG, while knowing that abuse, addiction, and compulsive use by such Product users can lead to brain damage and injury, and knowing that it had designed and developed Fortnite to be as addictive as possible.
- 167. Epic Games did not inform and concealed from the public, including Plaintiff IHG, that Fortnite Products pose significant risks of harm to users due to Epic Games' decision to design Fortnite to be as addictive as possible, while knowing that abuse, addiction, and compulsive use by minors and neurodivergent individuals can lead to brain damage and injury in those individuals.

### D. Fortnite Deceptively Promises Safety and Educational Value

- 168. Epic Games assures users that it wants its Product to be a "safe place for [users] to play games."<sup>47</sup>
- 169. Despite assurances of safety, the addictive properties and design features, as alleged herein, of the Fortnite game Products are so dangerous to users, and especially minors, that several health and behavioral centers across the country have published resources for parents specifically warning about Fortnite addiction.<sup>48</sup> Many health experts have concluded that Fortnite is more addictive than heroin and other illegal drugs.<sup>49</sup>
- 170. Despite these third-party warnings of the dangers of Fortnite, Epic Games has failed to disclose the risks of harm purposefully built into the Fortnite game Products.
- 171. Although Fortnite features some parental controls in its Product, they are grossly deficient. While minor accounts are automatically created with some restrictions on communication and other features, there is no age verification process. If a minor who is under 13 wants to sign up

<sup>&</sup>lt;sup>47</sup> Epic Games: Community Rules, Epic Games, <a href="https://www.epicgames.com/site/en-us/community-rules">https://www.epicgames.com/site/en-us/community-rules</a> (last visited Nov. 26, 2024).

<sup>&</sup>lt;sup>48</sup> Rachel Ehmke, *A Parent's Guide to Dealing With Fortnite*, Child Mind Institute, <a href="https://childmind.org/article/parents-guide-dealing-fortnite/">https://childmind.org/article/parents-guide-dealing-fortnite/</a> (last visited Aug. 26, 2024).

<sup>&</sup>lt;sup>49</sup> Health Experts: Video Game "Fortnite" Can Be Addictive As Heroin, KRON ABC 8 News (Sep. 29, 2018), <a href="https://www.wric.com/news/whats-trending/health-experts-video-game-fortnite-can-be-addictive-as-heroin/">https://www.wric.com/news/whats-trending/health-experts-video-game-fortnite-can-be-addictive-as-heroin/</a>.

<u>under-13-a000085524</u> (last visited Aug. 26, 2024).

US/c-Category EpicAccount/c-EpicAccounts ParentalControls/daily-spending-limits-for-players-

- 178. Epic Games designed and developed Fortnite games with the use of addictive operant conditioning to make users want to keep using the Products more and more.
- 179. The team that developed Fortnite includes psychologists, statisticians, analysts, and coordinators who worked for nearly four years to develop Products that were addictive as possible.
- 180. Upon information and belief, Epic Games has licensed patented addictive technologies from other video game developers and publishers to include additional addictive features in Fortnite Products.
- 181. Epic Games does not disclose to the public or the users of Fortnite any of the psychological tactics or addictive features it purposefully incorporates into its Products. Instead, Epic Games touts its Fortnite game Products as "educational" and markets them for use in the classroom.
- 182. On its website, Epic Games even offers "Free Fortnite lesson plans" to educators on subjects ranging from history, geography, and programming:51



183. Epic Games joined the Family Online Safety Institute ("FOSI") in 2023, stating they want to "support [FOSI's] work to keep kids safe online." Epic Games' Senior Director of Public Policy represents Epic Games wants to "be on the forefront of creating fun and safe games and

<sup>&</sup>lt;sup>51</sup> Education, Epic Games, <a href="https://dev.epicgames.com/documentation/en-us/fortnite-creative/education-in-fortnite-c

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Defendant for their respective misdeeds and unlawful conduct.

<sup>&</sup>lt;sup>52</sup> Epic Games Joins the Family Online Safety Institute, FOSI (Nov. 28, 2023), https://www.fosi.org/about-press/epic-games-joins-the-family-online-safety-institute.

191. IHG never agreed to be harmed or exposed to an addictive Product. Plaintiff never entered into a contract with any of the Defendants, and/or to the extent that any Defendant claims IHG attempted to accept an electronic terms and conditions clause by clicking buttons on a screen which included language Plaintiff did not understand, read, or language which was conscionable, and has been made void by virtue of its unconscionability and the power of disaffirmance. This unconscionability and disaffirmance is demonstrated and secured by the filing of this Complaint.

192. Specifically, to the extent that any Defendant claims Plaintiff IHG entered into a contract, any terms to which Plaintiff agreed are void and unenforceable. Each Defendant's terms of services or terms and conditions clauses is a contract of adhesion and has no variation or negotiable terms prior to the signing of parties. Further, Plaintiff, as a minor, lacked the capacity to contract, and thus expressly disaffirms any contract they may have made with any of the Defendants, or that Defendants may claim they made with IHG who has not reached the age of majority.

193. Plaintiff IHG's continued use of Defendants' Products, to the extent such use exists, is compulsive and due to IHG's addiction to using the Products. Plaintiff's continued use does not serve as an affirmation of any potential contract between the Parties.

### PLAINTIFF'S CLAIMS

# COUNT I – STRICT PRODUCT LIABILITY – DESIGN DEFECT

- 194. Plaintiff IHG realleges and incorporates by reference each of the preceding paragraphs above as though set forth fully here.
- 195. At all relevant times, each Defendant was engaged in the business of designing, developing, managing, operating, testing, producing, manufacturing, labeling, marketing, advertising, promoting, controlling, supplying, leasing, selling, and/or otherwise distributing the video game Products used by IHG, which are defective and unreasonably dangerous.
- 196. The video game Products that each Defendant placed into the stream of commerce were defectively designed. The Products were designed to cause addictive and compulsive use, including by minors. The Products are not reasonably fit, suitable, or safe for their intended purpose.

- 197. The defective conditions of Roblox and Fortnite at all times relevant herein have rendered them unreasonably dangerous and/or not reasonably safe. The foreseeable risks outweigh the benefits associated with Defendants' designs.
- 198. Each Defendant's respective designs were present in the Products when the Products left the hands of Defendants and when they were released to the general public to be used in an intended and foreseeable manner.
- 199. Roblox and Fortnite, as designed, were unreasonably dangerous, posed a substantial likelihood of harm, and were therefore defective because of reasons enumerated in the Complaint, including, but not limited to, the use of operant conditioning methodology in game design, the use of microtransactions in game design, the creation of Products that do not contain warnings about the potential physical, mental, emotional, and/or developmental harm resulting from use of the Products, the creation of Products without safeguards such as time restrictions on gameplay, the creation of Products without proper minor age verification, and because the Products created failed to operate as a reasonable user would expect.
- 200. Each Defendant designed its Products to be addictive and take advantage of the chemical reward system of users' brains to establish compulsive use and addiction.
- 201. Each Defendant's respective Products were expected to and did reach Plaintiff IHG without substantial change in the condition in which they were designed, manufactured, labeled, marketed, promoted, supplied, and otherwise released into the stream of commerce.
- 202. IHG used Defendants' Products, Roblox and Fortnite, in an intended and reasonably foreseeable manner, and the Products were not materially altered prior to their use.
- 203. Each Defendant's respective defective Product was the direct and proximate cause of IHG's injuries and harm that include, but are not limited to, emotional distress, diminished social interactions, lack of interest in other hobbies, developmental delays, withdrawal symptoms such as rage, anger, and physical outbursts for IHG, and injuries and damages as a result.
  - 204. IHG used Defendants' Products in their intended and reasonably foreseeable manner.

- 211. Instead, each Defendant designed Products that aggressively addict users with features that increase use time, frequency of use, and profit to each Defendant, all to the detriment of users' wellbeing.
- 212. Plaintiff IHG's injuries—physical, mental, emotional, and economic—were reasonably foreseeable to Defendants at the time of the Products' design, marketing, and operation.
- 213. Plaintiff IHG was injured as a direct and proximate result of each Defendant's placement of their respective Products into the stream of commerce, Plaintiff's use of the games as intended and designed, and the Products' defective design described herein. The defective designs of Roblox and Fortnite were the proximate cause of Plaintiff's harm.
- 214. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care. Thus, Plaintiff seeks actual and punitive damages according to proof.

# COUNT II – STRICT PRODUCT LIABILITY – FAILURE TO WARN

- 215. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 216. At all relevant times, each Defendant designed, developed, managed, operated, inspected, tested (or not), marketed, controlled, advertised, promoted, and or benefited from the Products and platforms that Plaintiff IHG used.
- 217. Defendants knew, or should have known, that ordinary consumers such as Plaintiff IHG would not have realized the potential risks of the Products. Roblox and Fortnite are highly addictive and likely to cause physical, mental, and emotional injuries as listed above.
- 218. Defendants knew, or should have known, that the use of Roblox and Fortnite was dangerous, harmful, and injurious when used by Plaintiff IHG in a reasonably foreseeable manner.

- 219. Defendants knew that their Products are and were harmful, capable of causing and in fact were designed to cause compulsive, addictive use, particularly in minors, and that such use could result in severe physical, mental, and emotional injuries.
- 220. Defendants owed a duty to warn consumers of the foreseeable risks and dangers of the Products that the Defendants knew were present but not obvious or known to users, especially underage users, or their caregivers, or any average member of the consuming public.
- 221. Upon information and belief, Defendants failed to include a warning or an instruction regarding the herein identified risks and dangers of using Defendants' Products, including risks posed to minors who use the Products, in their intended and foreseeable manner.
- 222. None of each Defendant's respective Products, as identified herein, contain a warning, nor have they ever contained a warning, that their Products pose an unreasonable risk of harm and addiction to users, particularly minors.
- 223. Defendants' Products did not contain a warning when the Products left their possession.
- 224. Each Defendant breached their duty of care to provide timely and adequate warnings, instructions, and information, at least in the following circumstances:
  - failing to ensure the Products included warnings regarding their addictive design that were accurate, conspicuous, and adequate, despite having extensive knowledge of the risks associated with their use;
  - failing to conduct adequate pre-and-post-market safety testing such that an adequate warning could have been issued to users;
  - c. failing to include adequate and conspicuous warnings that would alert users to the dangerous risks of the Products, including but not limited to the risks of causing severe and life-altering physical, mental, and emotional disorders and behaviors in minors, especially those with neurodivergent qualities;
  - d. failed to issue warnings to consumers regarding the dangerous risks of the Products even after the sale and/or download of their Products; and

- e. representing that the Products were and are safe for use, when in fact, the Defendants knew or should have known that said Products were designed to cause minors to overplay them until they developed an addiction or disordered compulsion to use the Products, and as such are and were unreasonably dangerous for use when operated as was foreseeable and intended by the Defendants.
- 225. Moreover, each Defendant each breached its respective duty of care owed to Plaintiff IHG through their non-feasance, failure to act, and omissions in the development, setup, management, maintenance, operation, marketing, advertising, promotion, supervision, and control of their respective Products. Those breaches include:
  - a. utilizing information to design the Products to be more addictive and to target specific individuals based on information obtained and retained by Defendants and/or third-parties;
  - b. failing to implement effective parental controls;
  - c. failing to implement reasonably available means for users or their parents to monitor for and limit or deter their own excessive frequency or duration of use of Products, including patterns, frequency, or duration of use that are indicative of addiction, compulsive use, or overuse;
  - d. failing to implement reasonably available means to monitor for and limit or deter excessive overspending by minors on in-game downloadable Products and upgrades and in-game purchases and/or microtransactions; and
  - e. failing to implement reasonably available means to allow users or their parents to limit or deter use of Products by minors during ordinary times for school or sleep.
- 226. The failure of each Defendant to adequately warn about their defective Products created a danger of injuries described herein that were reasonably foreseeable at the time of the design, development, and dissemination of the Products.
- 227. A reasonable company under the same or similar circumstances would have warned and instructed Plaintiff IHG of the dangers.

228. Had Plaintiff IHG and/or Plaintiff's guardian received adequate warning about the risks of Defendants' Products, Plaintiff and/or Plaintiff's guardian would have heeded such warnings.

229. Plaintiff IHG was injured as a direct and proximate cause of each Defendant's failure to warn about their respective Products. Plaintiff would not have used the Products had they been aware that the Products could cause, among other things, stress, aggressive behavior, verbal memory deficiency, depression, lowered cognitive abilities, sleeping disorders, anxiety, and behavioral addiction disorders.

230. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future.

231. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

### <u>COUNT III – NELIGENCE – DESIGN</u>

- 232. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 233. At all relevant times, the Defendants designed, developed, managed, operated, inspected, tested (or not), marketed, controlled, advertised, promoted, and or benefited from the Products and platforms that Plaintiff IHG used.
- 234. Defendants knew, or should have known, that the use of Roblox and Fortnite was dangerous, harmful, and injurious when used by Plaintiff IHG in a reasonably foreseeable manner.
- 235. Defendants knew, or should have known, that ordinary consumers such as Plaintiff IHG would not have realized the potential risks and dangers of Roblox and Fortnite. By design, Roblox and Fortnite are highly addictive and likely to cause physical, mental, and emotional injuries as listed above.

- 240. Each Defendant breached their duty by failing to use cost effective, reasonably feasible alternative designs that could have reduced mental and physical harm to users, especially youth. Instead, Defendants designed Products that aggressively addict users with features that increase addictiveness, use time, frequency of use, and engagement with the Products.
- 241. A reasonable company under the same or similar circumstances would have designed a safer product.
- 242. As a direct and proximate result of each Defendant's material misrepresentations and false statements, , Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future.
- 243. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

### <u>COUNT IV – NEGLIGENCE – FAILURE TO WARN</u>

- 244. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 245. At all relevant times, Defendants designed, developed, managed, operated, inspected, tested (or not), marketed, controlled, advertised, promoted, and or benefited from the Products and platforms that Plaintiff IHG used.
- 246. Defendants knew, or should have known, that the use of their Products was dangerous, harmful, and injurious when used by Plaintiff IHG in a reasonably foreseeable manner.
- 247. Each Defendant knew or, by the exercise of reasonable care, should have known that its respective Products posed risks of harm to youth. These risks were known and knowable considering each Defendants' own internal information and knowledge regarding its Products at the time of the Products' development, design, marketing, promotion, advertising, and distribution to IHG.

- 248. Defendants knew, or should have known, that ordinary consumers such as Plaintiff IHG would not have realized the potential risks and dangers of Defendants' Products. Roblox and Fortnite are highly addictive and likely to cause physical, mental, and emotional injuries as listed above.
- 249. None of Defendants' Products, as identified herein, contain a warning, nor have they ever contained a warning, that their Products pose an unreasonable risk of harm and addiction to users, particularly minors. Defendants' Products did not contain a warning when the Products left their possession.
- 250. Had Plaintiff IHG and/or Plaintiff's guardian received adequate warning about the risks of Defendants' Products, Plaintiff and/or Plaintiff's guardian would have heeded such warnings.
- 251. Each Defendant had a duty to give reasonable and adequate warning of dangers inherent or reasonably foreseeable in the use of its Product in a manner which the manufacturer should reasonably foresee.
- 252. Defendants breached their duties owed to foreseeable users. That breach includes a failure to warn users that Defendants' respective Products cause addiction, compulsive use, and/or other physical, mental, emotional, and developmental delay injuries.
- 253. A reasonable company under the same or similar circumstances would have used reasonable care to provide adequate warnings to consumers, and parents of minor consumers.
- 254. As a direct and proximate result of Defendants' breach of duty to provide adequate warnings, Plaintiff IHG was harmed and sustained the injuries set forth herein.
- 255. As a direct and proximate result of each Defendant's material misrepresentation and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future
- 256. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff IHG's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

<u>COUNT V – NELIGENCE – ORDINARY</u>

- 257. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 258. Defendants had a duty to exercise reasonable care and caution for the safety of individuals using their Products, including IHG.
- 259. Defendants, in their role as product designers, developers, manufacturers, marketers, and sellers, and otherwise engaging in activity culminating in placing their Products into the stream of commerce, owed a duty to exercise ordinary care in placing the Products into the stream of commerce.
- 260. Defendants' duties include a duty to warn users of the hazards of using their Products, which Defendants knew were present in their Products, though such hazards were not obvious to users and particularly not so to minor users.
- 261. Defendants' duties also include a duty to exercise ordinary care and act as a reasonably careful company would under the circumstances.
- 262. Each Defendant created harmful and addictive Products and failed to engage in the development of safer alternative games and/or platforms.
- 263. For their own profit, each Defendant chose not to engage in the development of a safer alternative game and/or platform.
- 264. Each Defendant was negligent, reckless, and/or careless in failing to exercise ordinary care.
- 265. Defendants' failure to act in developing a safer alternative game and/or platform constitutes a breach of their duty of reasonable care.
- 266. Defendants knew, or should have known, that their Products are harmful, capable of causing extensive physical, mental, emotional, and financial or economic harm and damage, and that minor users are developing disordered and addicted use.
- 267. Defendants were and are negligent in failing to provide adequate warnings about the dangers associated with using their Products and in failing to warn users, and the parents of users

who are minors, including IHG, about how and when, if ever, to safely use their Products.

- 268. Defendants were and are negligent in failing to provide users, and their caregivers in the case of users who are minors, including IHG, the tools to ensure that their Products are used in a limited and safe manner.
- 269. As a result of Defendants' breach of the herein identified duties and resulting negligence, Plaintiff IHG suffered severe physical and mental harm, as well as economic damages, from Plaintiff's use of Defendants' Products.
- 270. Defendants' breach of duty of care to Plaintiff IHG was a substantial factor in causing harm to Plaintiff and is the actual and proximate cause of said harm.
- 271. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future.
- 272. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

#### **COUNT VI – STATUTORY NEGLIGENCE**

(Cal. Civ. Code § 1714)

- 273. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 274. Defendants had a duty to exercise reasonable care and caution for the safety of individuals using their Products, including IHG.
- 275. Defendants, in their role as product designers, developers, manufacturers, marketers, and sellers, and otherwise engaged in activity culminating in placing their Products into the stream of commerce, owed a duty to exercise ordinary care and act as a reasonably careful company would under the circumstances.

- 276. Defendants owed a duty to avoid engaging in conduct they knew, or reasonably should have known, would cause injury to their users, including Plaintiff IHG.
- 277. Each Defendant created harmful and addictive Products and failed to engage in the development of safer alternative games and/or platforms.
- 278. For their own profit, each Defendant chose not to engage in the development of a safer alternative game and/or platform.
- 279. Each Defendant was negligent, reckless, and/or careless in failing to exercise ordinary care.
- 280. Defendants' failure to act in developing a safer alternative game and/or platform constitutes a breach of their duty of reasonable care.
- 281. Defendants knew, or should have known, that their Products are harmful, capable of causing extensive physical, mental, emotional, and financial or economic harm and damage, and that minor users are developing disordered and addicted use.
- 282. Defendants were and are negligent in failing to provide users, and their caregivers in the case of users who are minors, including IHG, the tools to ensure that their Products are used in a limited and safe manner.
- 283. As a result of Defendants' breach of the herein identified duties and resulting negligence, Plaintiff IHG suffered severe physical, mental, and emotional harm, as well as economic damages, from Plaintiff's use of Defendants' Products.
- 284. Defendants' breach of duty of care to Plaintiff IHG was a substantial factor in causing harm to Plaintiff and is the actual and proximate cause of said harm.
- 285. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future.
- 286. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff IHG's rights, thereby warranting the imposition of punitive

# **COUNT VII – INTENTIONAL MISREPRESENTATION**

(Cal. Civ. Code § 1710(1))

- 287. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 288. At all relevant times, Defendants designed, developed, managed, operated, inspected, tested (or not), marketed, controlled, advertised, promoted, and or benefited from the Products and platforms that Plaintiff IHG used.
- 289. As detailed herein, Defendants knew about the defective conditions of their respective Products and that the Products posed serious health risks to users, particularly minors.
- 290. Defendant Roblox Corp. designed Roblox with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and compulsive use by youth can lead to injury, but concealed this information from the public and Product users, including Plaintiff IHG.
- 291. Defendant Epic Games designed Fortnite with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and compulsive use by youth can lead to injury, but concealed this information from the public and Product users, including Plaintiff IHG.
- 292. Defendants knew of the risks associated with the use of their respective Products based on internal research and external studies known within the industry.
- 293. Each Defendant could have disclosed the defective condition of their respective Products to the public and could have advised that the Products posed serious health risks to users, particularly youth. No Defendant took such action; instead, each Defendant opted to omit the safety risks from any disclosures of marketing practices.
- 294. Defendants knowingly and intentionally misrepresented that their Products were safe for use, and safe as an educational tool, to further entice users to continue engaging with their Products, including Plaintiff IHG.

- 295. Defendant Roblox Corp. stated that it has "built a platform with safety at the foundation," that it has a "commitment to safety and civility," and that it consulted "child development experts" in creating recommendations for its Product.
- 296. Defendant Epic Games stated that it wants its Product to be a "safe place for [users]" and that its Product is educational and safe for use in classrooms.
- 297. Each Defendant intended for users, including Plaintiff IHG, to rely on their representations that their respective Products were safe for use to keep users engaging with their Products and increase their profits, and purposefully marketed their Products to minors for that reason.
- 298. However, each Defendant had no reasonable grounds to believe that their respective Products were safe given the internal and external research on addiction and given the global recognition of video game addiction. Each Defendant knowingly made false statements about the safety of their respective Products.
- 299. Defendants failed to disclose to users, including Plaintiff IHG, that their Products are designed to create and sustain addiction.
- 300. Defendants intentionally failed to disclose to users the strategies and features designed and employed in their Products to create and sustain addiction.
- 301. Defendants intentionally failed to disclose their addictive strategies and features to entice users to continue gameplay and increase profits.
- 302. Defendants affirmatively represented that their Products were safe for use, particularly for minors, while they simultaneously knew that their Products caused addiction and compulsive use.
- 303. Defendants intended for users, including Plaintiff IHG, to rely on their representations that their Products were safe for use in order to keep users engaging with their Products and increase their profits, and purposefully marketed their Products to minors for that reason.
- 304. If each Defendant had not concealed, omitted, and misrepresented facts regarding the safety of their Products, EVETTE GIBSON would not have allowed IHG to use each Defendant's Products and Plaintiff IHG would not have purchased, downloaded, played, continued to use, and/or purchased each Defendant's game content.

- 305. Plaintiff IHG was unaware of Defendants' intentional design and failure to warn about their addictive Products. Plaintiff reasonably relied on Defendants' representations that their Products were safe for use, particularly for minors.
- 306. Plaintiff IHG reasonably relied on Defendants' representations and did not know, nor had any way of knowing, about the misrepresentations about Defendants' Products.
- 307. A reasonable person, including Plaintiff IHG, would find information that impacted the users' health, safety, and well-being such as the serious adverse health risks associated with the use of Defendants' Products to be important when deciding whether to use, or to continue to use, those Products. Thus, Plaintiff IHG justifiably relied on each Defendant's misrepresentations that the Products were safe when purchasing, downloading, playing, continuing to use, and/or purchasing downloadable game content.
- 308. Because of Plaintiff IHG's reasonable reliance on each Defendant's representations, Plaintiff sustained physical, psychological, and developmental harm, as well as damages.
- 309. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG's injuries are permanent and will require more medical care and treatment in the future.
- 310. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff IHG's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

### **COUNT VIII - NEGLIGENT MISREPRESENTATION**

(Cal. Civ. Code § 1710(2))

- 311. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 312. At all relevant times, Defendants designed, developed, managed, operated, inspected, tested (or not), marketed, controlled, advertised, promoted, and or benefited from the Products and

platforms that Plaintiff IHG used.

- 313. As detailed herein, Defendants knew about the defective conditions of their respective Products and that the Products posed serious health risks to users, particularly minors.
- 314. Defendant Roblox Corp. designed Roblox with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and compulsive use by youth can lead to injury but concealed this information from the public and Product users, including Plaintiff IHG.
- 315. Defendant Epic Games designed Fortnite with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and compulsive use by youth can lead to injury but concealed this information from the public and Product users, including Plaintiff IHG.
- 316. Defendants knew of the risks associated with the use of their Products based on internal research and external studies known within the industry.
- 317. Each Defendant could have disclosed the defective condition of their respective Products to the public and could have advised that the Products posed serious health risks to users, particularly youth. No Defendant took such action; instead, each Defendant opted to omit the safety risks from any disclosures of marketing practices.
- 318. Defendants knowingly and intentionally misrepresented that their Products were safe for use, and safe as an educational tool, to further entice users to continue engaging with their Products, including Plaintiff IHG.
- 319. Defendant Roblox Corp. stated that it has "built a platform with safety at the foundation," that it has a "commitment to safety and civility," and that it consulted "child development experts" in creating recommendations for its Product.
- 320. Defendant Epic Games stated that it wants its Product to be a "safe place for [users]" and that its Product is educational and safe for use in classrooms.
- 321. Each Defendant intended for users, including Plaintiff IHG, to rely on their representations that their respective Products were safe for use to keep users engaging with their Products and increase their profits, and purposefully marketed their Products to minors for that

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reason.

- 322. However, each Defendant had no reasonable grounds to believe that their respective Products were safe given the internal and external research on addiction and given the global recognition of video game addiction. Each Defendant made false statements about the safety of their respective Products.
- 323. Defendants failed to disclose to users, including Plaintiff IHG, that their Products are designed to create and sustain addiction.
- 324. Defendants failed to disclose to users the strategies and features designed and employed in their Products to create and sustain addiction.
- 325. Defendants failed to disclose their addictive strategies and features to entice users to continue gameplay and increase profits.
- 326. Defendants affirmatively represented that their Products were safe for use, particularly for minors, while they simultaneously knew, or reasonably should have known, that their Products caused addiction and compulsive use.
- 327. Defendants intended for users, including Plaintiff IHG, to rely on their representations that their Products were safe for use to keep users engaging with their Products and increase their profits, and purposefully marketed their Products to minors for that reason.
- 328. If each Defendant had not concealed, omitted, and misrepresented facts regarding the safety of their Products, EVETTE GIBSON would not have allowed IHG to use Defendants' Products and Plaintiff IHG would not have purchased, downloaded, played, continued to use, and/or purchased Defendant's game content.
- 329. Plaintiff IHG was unaware of Defendants' intentional design and failure to warn about their addictive Products. Plaintiff relied on Defendants' representations that their Products were safe for use, particularly for minors.
- 330. Plaintiff IHG reasonably relied on Defendants' representations and did not know, nor had any way of knowing, about the misrepresentations about Defendants' Products.
- A reasonable person, including Plaintiff IHG, would find information that impacted 331. the users' health, safety, and well-being – such as the serious adverse health risks associated with the

use of Defendants' Products – to be important when deciding whether to use, or to continue to use, those Products. Thus, Plaintiff IHG justifiably relied on each Defendant's misrepresentations that the Products were safe when purchasing, downloading, playing, continuing to use, and/or purchasing downloadable game content.

- 332. Because of Plaintiff IHG's reasonable reliance on each Defendant's representations, Plaintiff sustained physical, psychological, and developmental harm, as well as damages.
- 333. Defendants' misrepresentations were a substantial factor in causing harm to Plaintiff IHG, who suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. Thus, Plaintiff seeks actual damages according to proof.

### **COUNT IX - FRAUD**

- 334. Plaintiff IHG realleges and incorporates by reference all of the foregoing allegations as if repeated in full here.
- 335. At all relevant times, each Defendant was engaged in the business of designing, developing, managing, operating, testing, producing, manufacturing, labeling, marketing, advertising, promoting, controlling, supplying, leasing, selling, and otherwise distributing the Products used by IHG.
- 336. As detailed herein, each Defendant knew about the defective conditions of its Products and that the Products posed serious health risks to users, particularly minors, young adults, and neurodivergent individuals.
- 337. Each Defendant knew their Products posed risks to minors, like IHG, based on internal research and external studies known in the industry and to each Defendant; yet each Defendant misrepresented the safety and value of their games for the purpose of inducing users, like IHG, to purchase/download the game and to continue using Defendants' Products and encourage the addiction knowingly caused by Defendants' Products.
- 338. Defendant Roblox Corp. designed Roblox with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and

compulsive use by youth can lead to injury but concealed this information from the public and Product users, including Plaintiff IHG.

- 339. Defendant Epic Games designed Fortnite with addictive psychological features to keep users playing more often and for longer periods of time, while knowing that abuse and compulsive use by youth can lead to injury but concealed this information from the public and Product users, including Plaintiff IHG.
- 340. Each Defendant could have disclosed the defective condition of their Products to the public and could have advised that the Products posed serious health risks to users, particularly youth. No Defendant took such action; instead, each Defendant opted to omit the safety risks from any disclosures or marketing practices.
- 341. Defendants knowingly and intentionally misrepresented that their Products were safe for use to further entice users to continue engaging with their Products, including Plaintiff IHG.
- 342. Each Defendant intended for users, including Plaintiff IHG, to rely on their representations that their respective Products were safe for use to keep users engaging with their Products and increase their profits, and purposefully marketed their Products to minors for that reason.
- 343. If Defendants had not concealed, omitted, and misrepresented facts regarding the safety of their Products, EVETTE GIBSON would not have allowed IHG to use Defendants' Products and would not have purchased, downloaded, played, continued to use, and/or purchased Defendants' game content.
- 344. However, each Defendant had no reasonable grounds to believe that their respective Products were safe given the internal and external research on addiction and given the global recognition of video game addiction. Each Defendant knowingly made false statements about the safety of their respective Products.
- 345. As a direct and proximate result of each Defendant's material omissions, Plaintiff IHG had no reason to believe that each of Defendant's Products were unsafe for children to use.
- 346. IHG reasonably relied on Defendants' misrepresentations that each of their Products was safe for use.

347. A reasonable person, including Plaintiff IHG, would find information that impacted
the users' health, safety, and well-being – such as the serious adverse health risks associated with the
use of Defendants' Products - to be important when deciding whether to use, or to continue to use
those Products. Thus, Plaintiff IHG justifiably relied on each Defendant's misrepresentations that the
Products were safe when purchasing, downloading, playing, continuing to use, and/or purchasing
downloadable game content.

- 348. As a direct and proximate result of each Defendant's material misrepresentations and false statements, Plaintiff IHG suffered significant injury, harm, damages, and economic loss, and will continue to suffer such harm, damages, and economic loss in the future. IHG injuries are permanent and will require more medical care and treatment in the future.
- 349. Each Defendant's actions and omissions as alleged in this Complaint were intentional, oppressive, malicious, reckless, wanton, fraudulent, beyond all standards of decency, and without regard for human life or Plaintiff IGH's rights, thereby warranting the imposition of punitive damages. Thus, Plaintiff seeks actual and punitive damages according to proof.

### **COUNT X – VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION LAW**

(Cal. Bus. & Prof. Code §§ 17200 et seq.)

- 350. Plaintiff IHG realleges and incorporates by reference all the foregoing allegations of every paragraph of this Complaint as if repeated in full here.
- 351. Defendants are corporations, and thus each of them is a "person," as defined by California Business & Professions Code § 17201.
- 352. California's Unfair Competition Law ("UCL"), Business and Professions Code § 17200, *et seq.*, prohibits any "unlawful, unfair or fraudulent business act or practice" and any "unfair, deceptive, untrue or misleading advertising."
- 353. By the conduct described in detail above and incorporated herein, Defendants engaged in unfair and deceptive acts in violation of California's Unfair Competition Law.
- 354. Defendants knowingly engaged in the production, design, distribution, and sale of Products to users, including IHG, which were unsafe and addictive, particularly for minors.

- 355. Defendants promoted their Products to users, especially minor users, while concealing harmful information about the addictive and unsafe nature of said Products.
- 356. These business practices that Defendants have engaged in are fraudulent and deceptive practices in violation of the UCL.
- 357. Defendants' business practices are also unfair in violation of the UCL. Defendants' actions are unethical at minimum, and the benefit of employing their deceptive and addictive features does not, in any circumstance, outweigh the harm that Plaintiff IHG suffered.
- 358. As a direct and proximate result of the foregoing acts and practices, Defendants have received, or will receive, income, profits, and other benefits, which they would not have received if they had not engaged in the violations of the UCL described herein.
- 359. As a direct result of Defendants' conduct, Plaintiff IHG sustained economic losses, including over hundreds of dollars per year in video game related spending. Had Defendants not engaged in these fraudulent and deceptive practices, Plaintiff would not have sustained the aforementioned economic injuries.
  - 360. As a result of each Defendant's conduct, Plaintiff IHG sustained significant injuries.
- 361. As such, in accordance with the provisions of the California Business and Professions Code §§ 17200 and 17203, Plaintiff requests that this Court enjoin each Defendant from continuing to violate the UCL or violating it in the same fashion in the future, and from continuing to conduct business via the unfair and fraudulent business acts as set forth in this Complaint for the benefit of Plaintiff IHG and the general public.

### **PRAYER**

WHEREFORE, Plaintiff prays for judgment against each Defendant, as appropriate to each and every cause of action alleged and as appropriate to the particular standing of Plaintiff, as follows:

- 1. For Plaintiff's general damages, including pain and suffering and emotional distress, according to proof at the time of trial;
- 2. For Plaintiff's past and future economic and special damages according to proof at the time of trial;
  - 3. For Plaintiff's medical and related expenses according to proof at the time of trial;

1	4. For Plaintiff's prejudgment interest according to proof, pursuant to California Civil		
2	Code § 3291 at the time of trial;		
3	5.	For Plaintiff's costs of suit herein;	
4	6.	For Injunctive relief;	
5	7.	For Attorneys' fees;	
6	8.	For exemplary and/or punitive damages according to proof at the time of trial; and,	
7	9.	For such other and further relief, whether at law or in equity, to which this Court deems	
8	just and proper.		
9	DATED: December 13, 2024		
10	DATED. D	BRADLEY/GROMBACHER LLP	
11		DRADLE I/GROWDACHER ELI	
12		Kilsy Grombacher  Marcus D. Bradley, Esq.	
13		Marcus Ø. Bradley, Esq. Kiley L. Grombacher, Esq.	
14			
15	DATED: D	December 13, 2024	
16		AYLSTOCK, WITKIN, KREIS & OVERHOLTZ, PLLC	
17		OVERHOLIZ, FLLC	
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20		s. Mary Liu	
21		Attorneys for Plaintiff	
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COMPLAINT