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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

A.B., a minor, represented by her mother and
next friend, AUDREY BURTON, individually
and on behalf of all others similarly situated,

Plaintiff,

v.

ROBLOX CORPORATION,

Defendant.

Case No. 3:21-cv-05683

CLASS ACTION COMPLAINT

- (1) Violations of Cal. Bus. & Bus. Prof. Code § 17200, *et seq.*
- (2) Violations of Cal. Civ. Code. § 1750, *et seq.*
- (3) Breach of the Covenant of Good Faith and Fair Dealing

JURY TRIAL DEMANDED

1 Plaintiff A.B., a minor, represented by her mother and next friend, Audrey Burton
2 (“Plaintiff”), individually and on behalf of all others similarly situated, makes the following
3 allegations pursuant to the investigation of her counsel and based upon information and belief,
4 except as to allegations specifically pertaining to herself and her counsel, which are based on
5 personal knowledge, against defendant Roblox Corporation. (“Roblox” or “Defendant”).

6 **NATURE OF THE ACTION**

7 1. Roblox is an online, multiplayer virtual creation platform where users play games
8 that were created, along with its for-sale content, by other users. Roblox is predominantly used by
9 children and saw a huge surge in usage from children during the COVID-19 pandemic. According
10 to the company, as of April 2020, two-thirds of all children in the United States between ages 9
11 and 12 used Roblox, and Roblox was played by a third of all Americans under the age of 16.¹

12 2. Roblox is initially free to join and download. Users can then purchase “Robux”
13 which is the in-game currency that allows its users to make in-game purchases. Roblox’s revenue
14 is dependent upon user-created content, boasting more than 8 million developers and more than 2
15 million developers releasing monthly content from the Roblox Studio.² Users purchase content
16 from Roblox’s Avatar Shop, which is the user-to-user marketplace, to personalize their avatars and
17 gaming experience. Roblox takes a commission from the user-to-user transaction and generates
18 revenue from these sales.

19 3. Roblox has the ability and retains discretion to delete content from its users’
20 inventories, without notice, even after the items have been purchased. Roblox does not provide
21 refunds for the content it removes and retains the money it earns as commissions through those
22 sales.

23 4. This is the result of Roblox’s lax control policies and practices – both by allowing
24 potentially inappropriate or infringing products to be added to its Avatar Shop and sold to users,
25

26 ¹ Olga Kharif, *Kids Flock to Roblox for Parties and Playdates During Lockdown*, BLOOMBERG
27 (April 15, 2020), <https://www.bloomberg.com/news/articles/2020-04-15/kids-flock-to-roblox-for-parties-and-playdates-during-lockdown> (last accessed July 2, 2021).

28 ² *About Us*, ROBLOX, <https://corp.roblox.com/> (last accessed July 2, 2021).

1 as well as a failure to have a refund policy in place so that users can be reimbursed for content lost
2 or deleted due to circumstances out of their control.

3 5. In essence, Roblox makes content available for purchase on the Roblox Avatar
4 Shop without adequately scrutinizing the content to ensure that it complies with Roblox's policies.
5 If Roblox later determines that the content violates its policies (*e.g.*, includes a trademarked logo),
6 Roblox will delete the content. Rather than performing adequate oversight *before* content is
7 offered for sale in its marketplace, Roblox waits until items are purchased, collects commissions,
8 and *then* deletes the content. Roblox keeps its commissions and associated revenue, yet refuses to
9 refund its users for the deleted content.

10 6. This "sell without regard to users" approach unfairly benefits Roblox because it
11 allows Roblox to retain all monetary benefit after deleting content. Users, who are predominantly
12 children, are left with nothing. Users are then forced make new purchases to replace their items,
13 on which Roblox then collects additional commissions.

14 7. There is no question that Roblox users are harmed as a result of Roblox's practice
15 of deleting content from its platform and refusing to refund its users for those purchases. In order
16 to substantially reduce the amount of content deleted from the Roblox platform after users
17 purchase the items and more robustly protect Roblox users, Plaintiff seeks injunctive relief,
18 requiring Roblox to:

- 19 (a) Implement changes to Roblox's content moderation practices to require adequate oversight
20 *before* content is offered for sale on the Avatar Shop;
- 21 (b) Implement policies and practices to create additional oversight mechanisms for Roblox to
22 monitor developers who regularly create content that ultimately gets deleted (*i.e.*, extra
23 oversight over "repeat offenders");
- 24 (c) Implement policies and practices to create additional oversight mechanisms to help prevent
25 content that Roblox deletes from the Avatar Shop to be re-introduced and offered for sale
26 again; and

1 (d) Implement a comprehensive refund program to provide users with prospective refunds for
2 content purchased in the Avatar Shop and deleted by Roblox (the “Proposed Injunctive
3 Relief”).

4 8. On June 2, 2021, Audrey Burton, acting on behalf of Plaintiff A.B. and all others
5 similarly situated, sent a pre-suit demand to Roblox to immediately address its unlawful and unfair
6 practice of deleting content purchased by users from its platform and failing to issue refunds for
7 that content. In her letter, Ms. Burton requested the Proposed Injunctive Relief as outlined above.

8 9. Plaintiff seeks declaratory and injunctive relief against Roblox on behalf of herself
9 and other similarly situated Roblox users by asserting claims for violations of California’s Unfair
10 Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*) (“UCL”); violations of California’s
11 Consumers Legal Remedies Act (Cal. Civ. Code § 1750 *et seq.*) (“CLRA”), and breach of the
12 covenant of good faith and fair dealing.

13 **PARTIES**

14 10. Plaintiff A.B. is a resident of the state of Virginia.

15 11. Plaintiff is a Roblox account holder who has used Roblox for the last two to three
16 years. She spent approximately 200 dollars to purchase items from Roblox’s store, Avatar Shop
17 and/or Game Shop only to then experience the deletion of many of the purchased items from her
18 inventory. Since opening her current account in September of 2020, approximately seven shirts
19 and fifteen pairs of pants have been deleted without refund. When Plaintiff purchased items, there
20 was an expectation that the items would remain in her inventory. She would not have purchased
21 the items had she known that they would later be deleted and she would not receive a refund for
22 the content.

23 12. Defendant Roblox Corporation is a Delaware Corporation with its principal place
24 of business located at 970 Park Place, San Mateo, California 94403. Roblox regularly conducts
25 business in this District and throughout the United States.

JURISDICTION, VENUE AND CHOICE OF LAW

13. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because there are more than 100 Class members and the aggregate amount in controversy exceeds \$5,000,000, exclusive of interest, fees, and costs, and at least one Class member is a citizen of a state different from Roblox.

14. This Court has personal jurisdiction over Roblox because it transacts business in this State, and because the tortious conduct alleged in this Complaint occurred in, was directed to, and/or emanated from this State.

15. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because Defendant is headquartered in this District, and a substantial part of the events and omissions giving rise to Plaintiff's claims occurred in this District.

FACTUAL ALLEGATIONS

A. Roblox's Online Platform

16. Roblox is an online, multiplayer virtual creation platform that was founded in 2006.³ Roblox is a platform where users play games created by other users, known as developers. The platform contains over 20 million games.⁴ Roblox is dependent upon user-created content, boasting more than 8 million developers and more than 2 million developers releasing monthly content from the Roblox Studio.⁵ Roblox has over 150 million monthly users,⁶ with more than half of the users being children under the age of 16. In April 2020, Roblox stated that “two-thirds of all U.S. kids between 9 and 12 years old use Roblox, and it’s played by a third of all Americans

³ *Why is everyone talking about Roblox?*, POLYGON, (March 11, 2021), <https://www.polygon.com/22326123/what-is-roblox-explainer-public-offering> (last accessed July 2, 2021).

⁴ *Id.*

⁵ *About Us*, ROBLOX, <https://corp.roblox.com/> (last accessed July 2, 2021).

⁶ Sarah Perez, *Roblox jumps to over 150M monthly users, will pay out \$250M to developers in 2020*, TECHCRUNCH.com (Jul. 28, 2020, 10:23 AM), <https://techcrunch.com/2020/07/28/roblox-jumps-to-over-150m-monthly-users-will-pay-out-250m-to-developers-in-2020/> (last accessed July 2, 2021).

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