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County of Los Angeles

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(Fee Exempt, Gov. Code, § 6103)

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES

DEPARTMENT OF FAIR EMPLOYMENT AND)
HOUSING, an agency of the State of California,)

Plaintiff,)

vs.)

ACTIVISION BLIZZARD, INC., BLIZZARD)
ENTERTAINMENT, INC., and ACTIVISION)
PUBLISHING, INC., and DOES ONE through)
TEN, inclusive,)

Defendants.)

Case No. **21 ST CV 26571**

Dept:
Hon.

CIVIL RIGHTS AND EQUAL PAY ACT
COMPLAINT FOR INJUNCTIVE AND
MONETARY RELIEF AND DAMAGES

JURY TRIAL DEMANDED

Plaintiff, DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING ("DFEH"), an agency of the State of California, brings this action in its own name to remedy violations of the California Fair Employment and Housing Act, Government Code section 12900 et seq. ("FEHA") as well as the California Equal Pay Act, Labor Code section 1197.5, by Defendant Activision Blizzard, Inc. ("Activision Blizzard"), Blizzard Entertainment, Inc. ("Blizzard"), and Activision Publishing, Inc. ("Activision Publishing") and Does One through Ten (collectively referred to as "Defendants").

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BY FAX

1 INTRODUCTION

2 1. Headquartered in California since the 1970s – where the nation’s strongest anti-
3 harassment, equal pay and other equal employment opportunity protections exist for employees¹ –
4 Defendants should be a safe-haven workplace in the video gaming industry. Sexism has plagued the
5 male-dominated gaming industry for decades, and increasingly so in recent years.² Women and girls
6 now make up almost half of gamers in America, but the gaming industry continues to cater to men,
7 even in California. Activision Blizzard’s double-digit percentage growth, ten-figure annual
8 revenues, and recent diversity marketing campaigns have unfortunately changed little. Defendants’
9 compliance with California’s broad workplace protections is long overdue. To enforce such
10 compliance, DFEH brings this government enforcement action seeking to remedy, prevent and deter
11 Defendants’ violations of the state’s civil rights and equal pay laws to vindicate the rights of
12 Defendants’ female employees and the public interest of the State of California.

13 2. Activision Blizzard, Inc. is headquartered in Santa Monica, California. It is one of
14 the largest American video game developers and distributors with approximately 9,500 employees
15 and over 100 million players worldwide. It is considered a leading gaming platform in the western
16

17
18 ¹(See, e.g., *State Dept. of Health Services v. Sup.Ct.* (2003) 31 Cal.4th 1026, 1040 [FEHA provides
19 broader protection than Title VII]; Introduction, Cal. Prac. Guide Civ. Pro. Trial Claims and Def.
20 Ch. 13(I.1)-A [“Title VII presents serious limitations on plaintiff’s recovery, including a cap on
21 emotional distress and punitive damages. In addition, FEHA provides broader protections in a
22 number of important respects... For these reasons, it is generally advantageous to sue under FEHA,
rather than Title VII.”]; Zhou, *Can California Prevent Wage Discrimination Against Women?* (Oct.
7, 2015) The Atlantic <[https://www.theatlantic.com/business/archive/2015/10/california-gender-
wage-gap-fair-pay-act/409549/](https://www.theatlantic.com/business/archive/2015/10/california-gender-wage-gap-fair-pay-act/409549/)> [as of July 19, 2021].)

23 ²(Wingfield, *Feminist Critics of Video Games Facing Threats in ‘Gamergate’ Campaign*, N.Y.
24 Times (Oct. 15, 2014) <[https://www.nytimes.com/2014/10/16/technology/gamergate-women-video-
game-threats-anita-sarkeesian.html](https://www.nytimes.com/2014/10/16/technology/gamergate-women-video-game-threats-anita-sarkeesian.html)> [as of July 19, 2021]; Dockterman, *What Is #GamerGate and
25 Why Are Women Being Threatened About Video Games?* Time (Oct. 16, 2014)
<<https://time.com/3510381/gamergate-faq/>> [as of July 19, 2021]; Lorenz & Browning, *Dozens of
26 Women in Gaming Speak Out About Sexism and Harassment*, N.Y. Times (June 23, 2020)
<[https://www.nytimes.com/2020/06/23/style/women-gaming-streaming-harassment-sexism-
27 twitch.html](https://www.nytimes.com/2020/06/23/style/women-gaming-streaming-harassment-sexism-twitch.html)> [as of July 19, 2021]; Holden et. al., *The #E-Too Movement: Fighting Back Against
Sexual Harassment in Electronic Sports*, (2020) 52 Ariz. St. L.J. 1, 1.)
28

1 world, and it is a member of the Fortune 500 and S&P 500. Activision Blizzard conducts business
 2 through its subsidiaries, Blizzard Entertainment, Inc., King Digital Entertainment, and Activision
 3 Publishing, Inc., among others. Activision Blizzard also operates global esports organizations,
 4 Overwatch League and Call of Duty League. The video game franchise Call of Duty is Activision
 5 Publishing's key product. Blizzard Entertainment maintains the online gaming service, Battle.net,
 6 and includes key franchises such as World of Warcraft, Diablo, and Overwatch.

7 3. Unlike its customer-base of increasingly diverse players, Defendants' workforce is
 8 only about 20 percent women. Its top leadership is also exclusively male and white. The CEO and
 9 President roles are now – and have always been – held by white men.³ Very few women ever reach
 10 top roles at the company. The women who do reach higher roles earn less salary, incentive pay and
 11 total compensation than their male peers, as evidenced in Defendants' own records.⁴ Similar

12 _____
 13 ³ <<https://www.activisionblizzard.com/who-we-are>> [as of July 19, 2021]; Fahs, The History of
 14 Activision (Oct. 1, 2010, updated Mar. 21, 2020) <<https://www.ign.com/articles/2010/10/01/the-history-of-activision>>

15 ⁴ Activision Blizzard, (June 14, 2021, amended from April 30, 2021), 2021 Proxy Statement at p. 88
 16 <https://www.sec.gov/Archives/edgar/data/718877/000130817921000289/latvi2021_defr14a.htm>
 17 [as of July 19, 2021]

18 **SUMMARY COMPENSATION TABLE**

19 The table below presents information with respect to each of our named executive officers regarding compensation earned during the periods indicated.

Name and Principal Position	Year	Salary (\$)	Total (\$)
Robert Kotick Chief Executive Officer	2020	1,494,231	154,613,318
	2019	1,756,731	30,122,896
	2018	1,756,731	30,841,004
Dennis Durkin ⁽⁶⁾ Executive Advisor and Former Chief Financial Officer	2020	906,923	12,999,754
	2019	901,731	9,511,753
	2018	624,808	928,025
Daniel Alegre ⁽⁷⁾ President and Chief Operating Officer	2020	1,002,115	12,599,837
Claudine Naughton Chief People Officer	2020	655,000	3,823,519
	2019	250,000	4,388,854
Chris B. Walther	2020	852,205	3,270,992

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1 disparities exist throughout the company.⁵

2 4. Like the executive ranks, women across the company are assigned to lower paid and
3 lower opportunity levels. Female employees receive lower starting pay and also earn less than male
4 employees for substantially similar work. Defendants promote women more slowly and terminate
5 them more quickly than their male counterparts. Faced with such adverse terms and conditions of
6 employment, many women have been forced to leave the company.

7 5. Defendants have also fostered a pervasive “frat boy” workplace culture that
8 continues to thrive. In the office, women are subjected to “cube crawls” in which male employees
9 drink copious amounts of alcohol as they “crawl” their way through various cubicles in the office
10 and often engage in inappropriate behavior toward female employees. Male employees proudly
11 come into work hungover, play video games for long periods of time during work while delegating
12 their responsibilities to female employees, engage in banter about their sexual encounters, talk
13 openly about female bodies, and joke about rape.

14 6. Unsurprisingly, Defendants’ “frat boy” culture is a breeding ground for harassment
15 and discrimination against women. Female employees are subjected to constant sexual harassment,
16 including having to continually fend off unwanted sexual comments and advances by their male co-
17 workers and supervisors and being groped at the “cube crawls” and other company events. High-
18 ranking executives and creators engaged in blatant sexual harassment without repercussions. In a
19 particularly tragic example, a female employee committed suicide during a business trip with a male
20

21 Chief Legal Officer	2019	836,381	5,160,991
	2018	759,238	4,763,158

24 ⁵ (See, e.g., Schreier, *Blizzard Workers Share Salaries in Revolt Over Pay*, Bloomberg (August 6, 2020)
25 <[https://www.bloomberg.com/news/articles/2020-08-03/blizzard-workers-share-salaries-in-revolt-
26 over-wage-disparities](https://www.bloomberg.com/news/articles/2020-08-03/blizzard-workers-share-salaries-in-revolt-over-wage-disparities)> [as of July 19, 2021]; Gonzalez, *Blizzard and Overwatch Continue to Fail
27 Black Women* (Nov. 2, 2020) <[https://www.hotspawn.com/overwatch/news/blizzard-and-overwatch-
28 continue-to-fail-black-women](https://www.hotspawn.com/overwatch/news/blizzard-and-overwatch-continue-to-fail-black-women)> [as of July 19, 2021]; see also Kolakowski, *Activision Blizzard
Faces Diversity Hiring Controversy* (Jan. 28, 2021)
<<https://insights.dice.com/2021/01/28/activision-blizzard-faces-diversity-hiring-controversy/>> [as of
July 19, 2021]; *Ex-Blizzard employee says he left due to “racial abuse and discrimination*,
<<https://www.pcgamesn.com/blizzard-racial-discrimination>> [as of July 19, 2021]

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1 supervisor who had brought butt plugs and lubricant with him on the trip. Defendants continuously
2 condone the quid pro quo and hostile work environment. The message is not lost on their employees.

3 7. Numerous complaints about unlawful harassment, discrimination, and retaliation
4 were made to Defendants' human resources personnel and executives, including to Blizzard
5 Entertainment's President J. Allen Brack. But, Defendants failed to take effective remedial
6 measures in response to these complaints. Employees were further discouraged from complaining
7 as human resource personnel were known to be close to alleged harassers. An internal investigation
8 into the human resource unit noted that there was a "big lack of trust" and that "HR not held in high
9 regard." Unsurprisingly, employee's complaints were treated in a perfunctory and dismissive
10 manner and not kept confidential. As a result of these complaints, female employees were subjected
11 to retaliation, including but not limited to being deprived of work on projects, unwillingly
12 transferred to different units, and selected for layoffs.

13 8. Plaintiff DFEH, an agency of the State of California, brings this enforcement action
14 against Defendants in its prosecutorial role, seeking relief in the public interest for the state and for
15 Defendants' female employees ("the Group"). Pursuant to the authority vested in DFEH under
16 FEHA, Government Code section 12900 et seq. and related laws, DFEH's enforcement action seeks
17 to remedy, prevent, and deter unlawful harassment, retaliation, and discrimination. Specifically, the
18 violations pled herein include claims for sex discrimination in terms and condition of employment
19 (including compensation, assignment, promotion, constructive discharge, termination); unlawful
20 sexual harassment; retaliation; failure to prevent discrimination, harassment, and retaliation; and
21 unequal pay.

22 **PARTIES**

23 9. Plaintiff Department of Fair Employment and Housing ("DFEH") is a state agency
24 tasked with investigating and prosecuting civil rights actions. (Gov. Code, § 12930, subd. (f)(1)-
25 (5).) California's legislature exercised its police power in enacting FEHA and investing authority in
26 DFEH "to protect and safeguard the right and opportunity of all persons to seek, obtain, and hold
27 employment without discrimination..." (Gov. Code, § 12920; *Dept. Fair Empl. & Hous. v. Cathy's*
28 *Creations, Inc.* (2020) 54 Cal.App.5th 404, 410 ["the DFEH's task is to represent the interests of the

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