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18 **UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA**

19 CG TECHNOLOGY DEVELOPMENT, LLC,
20 INTERACTIVE GAMES LIMITED, and
21 INTERACTIVE GAMES LLC,

22 Plaintiffs,

23 vs.

24 FANDUEL, INC.,

25 Defendant.

Case No.:

**PLAINTIFFS' COMPLAINT FOR
PATENT INFRINGEMENT**

DEMAND FOR JURY TRIAL

26 Plaintiffs CG Technology Development, LLC (“CG Tech”), Interactive Games Limited
27 (“IG Limited”), and Interactive Games LLC (“IG LLC”) (collectively “Plaintiffs”), by and through
28

1 their counsel, hereby bring this Complaint against Defendant FanDuel, Inc. (“Defendant” or
2 “FanDuel”), and allege as follows:

3 NATURE OF ACTION

4 1. This is an action for patent infringement under 35 U.S.C. § 271 *et seq.* by Plaintiffs
5 against Defendant for infringement of U.S. Patent Nos. RE39,818; 6,899,628; 9,111,417;
6 8,641,511; 8,342,924; 7,029,394; 6,884,166; and 7,534,169 (collectively the “Patents-in-Suit”).

7 PARTIES

8 2. CG Tech is a wholly-owned subsidiary of CG Technology, L.P. (“CG”), a limited
9 partnership, with its principal place of business at 2575 South Highland Drive, Las Vegas, Nevada,
10 89109. CG and CG Tech are both incorporated in Nevada. CG is an innovative gaming
11 technology solutions provider for lottery, gaming, racing, and sports wagering worldwide. It
12 specializes in providing secure, scalable, mobile technology and risk management solutions to
13 integrated resorts, gaming partners, race and sports books, and lottery industries. Headquartered in
14 Las Vegas, Nevada, CG and CG Tech continue to expand into new global markets in response to
15 partner demand for their gaming and manufacturing expertise and superior technology solutions.
16 Their products include Android™- and Apple®-compatible applications for sports wagering and
17 real-money casino gaming, as well as state-of-the-art, account-based wagering systems.

18 3. IG LLC is a limited liability company incorporated in Nevada with its principal
19 place of business at 110 East 59th Street, New York, New York, 10022.

20 4. IG Limited is a private limited company with its principal place of business at One
21 Churchill Place, Canary Wharf, London, UK E14 5RB.

22 5. Upon information and belief, FanDuel is a corporation organized and existing under
23 the laws of the State of Delaware, with its principal place of business located at 1375 Broadway,
24 6th Floor, New York, New York, 10018.

25 JURISDICTION AND VENUE

26 6. This is a civil action for patent infringement arising under the patent laws of the
27 United States, 35 U.S.C. § 271 *et seq.*

28 7. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1332(a)

1 8. FanDuel is subject to personal jurisdiction in this District because, based on
2 information and belief, Defendant has transacted business in this District and has committed, by
3 itself or in concert with others, acts of patent infringement in this District. On information and
4 belief, Defendant has conducted business within the State of Nevada. In addition, Defendant
5 offered for sale, sells, advertises, and/or uses its products and services (including the products
6 accused of infringement in this lawsuit) in the United States, the State of Nevada, and this District.
7 Further, Defendant purposefully and voluntarily placed one or more infringing products and
8 services into the stream of commerce with the expectation that they will be used by consumers in
9 the State of Nevada. Defendant also advertises and has transacted business throughout the United
10 States, including in the State of Nevada, and specifically in this District. Defendant has purposely
11 availed itself of the laws of this District by, among other things, advertising and selling its products
12 and services in this District.

13 9. Defendant is subject to this Court's specific and general personal jurisdiction
14 pursuant to due process and/or the Nevada Long Arm Statute, due at least to Defendant's
15 substantial business in this forum, including: (i) at least a portion of the infringements alleged
16 herein; and/or (ii) regularly doing or soliciting business, engaging in other persistent courses of
17 conduct, and/or deriving substantial revenue from goods and services provided to individuals in the
18 State of Nevada and in this District.

19 10. On information and belief, Defendant has operated and continues to operate an
20 interactive website (www.fanduel.com) and mobile application that are accessible to all residents
21 of the State of Nevada, including in this District, through which Defendant advertises and makes
22 available for use certain services and electronic daily fantasy sports contests that are herein accused
23 of infringement. (See <https://www.fanduel.com/games>.) On information and belief, Defendant has
24 repeatedly held events promoting and utilizing its products and services accused of infringement in
25 this District. (See, e.g., <https://www.fanduel.com/dfbc>, [https://rotogrinders.com/articles/2014-fffc-
26 fanduel-awarding-2-million-to-1st-place-357388](https://rotogrinders.com/articles/2014-fffc-fanduel-awarding-2-million-to-1st-place-357388), <https://vimeo.com/101472951>.)

27 11. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b) and (c), and/or
28 1400(b), as FanDuel is subject to personal jurisdiction in this District.

GENERAL ALLEGATIONS

12. Plaintiffs own innovative technology that is being used by Defendant in its daily fantasy sports business. Like traditional fantasy sports, players draft a team of real-world athletes who then score fantasy points according to set scoring rules. Daily fantasy sports, however, offer contests that may last just one day, instead of being stuck with the same team (or drafted players) throughout a whole season. Accordingly, daily fantasy sports are quicker, more numbers-driven, and provide more “action” for the daily fantasy sports entrants. Before the advent of the Internet, the ability of hundreds of thousands of people participating in daily fantasy sports together in the same contest did not exist.

13. On information and belief, and based on its own admissions, FanDuel is one of the largest on-line sites to offer daily fantasy sports contests, alleging that it is the birthplace of Daily Fantasy. (See <https://www.fanduel.com/about>.) FanDuel provides access to its daily fantasy sports gaming platform through its web-based interface and/or mobile applications. FanDuel determines whether its users are over the age of 18 (or 19 in certain jurisdictions) before authorizing the users (or contest entrants) to pay an entry fee for one of its contests.

14. FanDuel offers various types of daily fantasy sports contests that authorize users to choose a contest with an entry fee, pick their team, score the most points, and win. Its gaming platform also allows users to create their own contests where users may specify the amount of money for entry into a contest and the contest parameters before FanDuel offers the contest to other users for acceptance. In this and other ways, users are then matched in contests to compete against one another for the entry-fee dollar amounts according to each contest’s payout rules (or against one another in a head-to-head contest). FanDuel also monitors multiple games and game events on which play is based. This platform generates statistics on game events, payments for various contests and users, and determines outcomes for each contest where the winners of each contest are awarded the winning dollar amounts according to each contest’s payout rules. After the contest is completed, each user’s account is managed or updated to reflect the appropriate transfer of funds based on a winning or losing entry. (See, e.g., <https://www.fanduel.com/how-it-works>.)

15. On July 15, 2014, a letter was sent to Defendant notifying Defendant of its

1 infringement of numerous patents. Specifically, at least the following patents were identified as
2 being infringed: U.S. Patent Nos. RE39,818; 6,899,628; 8,641,511; 8,342,924; 7,029,394;
3 6,884,166; and 7,534,169.¹ As noted in the letter, Plaintiffs wanted to reach a negotiated non-
4 litigation arrangement with Defendant for the identified patents. An agreement was never reached,
5 and Defendant has not ceased infringing Plaintiffs' patents.

6 **CLAIMS FOR RELIEF**

7 **FIRST CLAIM FOR RELIEF**
8 **(INFRINGEMENT OF U.S. PATENT NO. RE39,818)**

9 16. Plaintiffs incorporate by reference paragraphs 1-15 as if fully set forth herein.

10 17. On September 4, 2007, U.S. Patent No. RE39,818 ("the RE'818 patent") was duly
11 and legally issued by the U.S. Patent and Trademark Office ("PTO") for an invention titled
12 "Personalized Wireless Video Game System" to the listed inventor, Russell D. Slifer. A certified
13 copy of the RE'818 patent is attached as **Exhibit A**.

14 18. CG Tech is the assignee and owner of the RE'818 patent, with all substantive rights
15 in and to that patent, including the sole and exclusive right to bring this action and enforce the
16 RE'818 patent against infringers, and to collect damages for all relevant times.

17 19. Defendant, directly or through its agents, customers, and/or intermediaries, has
18 made, used, tested, imported, provided, supplied, distributed, sold, and/or offered for sale products
19 and/or systems that infringe (either directly or under the doctrine of equivalents) one or more
20 claims of the RE'818 patent. For instance, on information and belief, Defendant's accused
21 products and/or systems have certain features that transmit both identification code and game
22 control signals to a processor executing an interactive game. Here, the identification code is used
23 by the processor to retrieve identification data and authorize game play based at least in part on an
24 age of a player. This is done in a manner that infringes at least claims 1, 20, 24, and 25 of the
25 RE'818 patent.

26 _____
27 ¹ U.S. Patent No. 9,111,417 did not issue until August 18, 2015, and was therefore not in the notice
28 letter.

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