

1 ADAM K. YOWELL
Nevada Bar No. 11748
Adam.yowell@fisherbroyles.com
2 FISHERBROYLES, LLP
59 Damonte Ranch Pkwy
3 Ste B # 508
Reno, NV 89521
4 Telephone: (775) 230-7364
Counsel for Plaintiff
5

6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA**

8 NEXRF Corp., a Nevada Corporation

Case No.: 3:20-cv-603

9 Plaintiff,

**COMPLAINT FOR PATENT
INFRINGEMENT**

10 v.

11 Playtika Ltd., an Israel Corporation,
Playtika Holding Corp., a Delaware
12 Corporation, and Caesars Interactive
Entertainment LLC, a Delaware LLC,

DEMAND FOR JURY TRIAL

13 Defendants.
14

15 **COMPLAINT FOR PATENT INFRINGEMENT**
16

17 Plaintiff NEXRF Corp. (“NEXRF”), a Nevada Limited Liability Company (“Plaintiff”) files this Complaint for damages, injunctive relief and demand for a jury trial against Playtika Ltd., Playtika Holding Corp. (collectively “Playtika”), and Caesars Interactive Entertainment, LLC (“CIE”), (collectively “Defendants”), and alleges as follows:
18
19
20

21 **NATURE OF THE CASE**

22 1. NEXRF brings this action against Defendants for infringement of U.S. Patent Nos. 8,747,229 (the ‘229 patent), 8,506,406 (the ‘406 patent), 9,646,454 (the ‘454 patent), 8,506,407 (the ‘407 patent), and 9,373,116 (the ‘116 patent) (collectively, the “patents in suit”).
23
24

25 **BACKGROUND**

26 2. The casino gaming industry has sought to create and encourage new ways for patrons to gamble on casino games. While many patrons enjoyed the experience of playing a real slot machine in front of them, many potential gaming patrons were underserved.
27
28

FISHERBROYLES, LLP
530 Lytton Avenue, Second Floor
Palo Alto, CA 94301
Telephone: (775) 230-7364

1 3. One area of interest to the casino industry was remote gaming, where a patron could
2 play a casino game while not physically sitting in front of and interacting with a typical casino
3 gaming device. Examples of prior art devices included systems where a patron would use a
4 handheld device to “play” a casino game by causing a remotely located but otherwise typical slot
5 machine to spin, and the information about the game outcome and the winnings would be
6 communicated to the player through the handheld device. These devices were flawed. For
7 example, they did not have a strict correlation between the actual game outcome and what the
8 player was shown, and additionally required the operation of a physical slot machine as an input.

9 4. The patents in suit disclose various systems and methods for embodiments of a fully
10 remote, multiplayer capable, secure, and engaging casino-style gaming system. This novel design
11 departed from prior art systems in that it, among other advancements, provided for streamlined
12 media delivery for increased engagement with less resources, increased security to reduce
13 unauthorized use, multiplayer extensibility with improved scaling and reliability, and a flexible
14 infrastructure that could accommodate gambling or social gaming and different types of games.

15 5. The inventive concepts of the patents in suit were unconventional. At the time of
16 the patents in suit, it was not well-understood, conventional, or routine to have, among other
17 distinctions: 1) a central gaming server that determined game outcome, associated that game
18 outcome with an image ID, and transmitted that image/video and game outcome to a remote
19 device; 2) a verification server coupled with a central gaming server to control access to gaming
20 activities; and, 3) an image and/or video delivery component that included relatively fast memory
21 to store and communicate media associated with recently generated game outcomes. These
22 unconventional centralized server-based elements allowed for a stable, secure, flexible, engaging
23 multiplayer-compatible online gaming experience for the user while minimizing the hardware,
24 storage, and network burdens and requirements on the user’s device. This combination of
25 desirable qualities was absent in prior art gaming systems, and providing popular features such as
26 progressive jackpots was made simpler and more flexible by the system of the patents in suit.

27 6. The ‘229 patent contains the additional unconventional element of a payable
28 module associated with the centralized gaming server, which allowed further advantages such as

1 the ability to change game outcome distributions and rewards for all connected devices with any
2 software updates on the device.

3 7. The '407 patent contains the additional unconventional element of a transactional
4 system that credited funds from winning game outcomes to a user's financial account, which
5 increases security of the system and reduced the amount of processing and network activity
6 required of the user's device and its associated software.

7 8. The '116 patent contains the additional unconventional elements of location
8 tracking of the user and providing rewards to the user for their historical play, which increase the
9 security of play and engagement of the user with the game.

10 9. These are just exemplary reasons why the claimed inventions of the patents in suit
11 were not well-understood, routine, or conventional.

12 10. The value and unconventional nature of the claimed inventions of the patents in suit
13 are further demonstrated by the fact that, despite being described nearly twenty years ago, it is
14 only in the last few years that online mobile gambling and social casino gaming have become
15 wide-spread. In those short recent years, however, both mobile casino gambling and social casino
16 gaming have become massive, multi-billion dollar industries.

17 **PARTIES**

18 11. NEXRF Corp. is a Nevada corporation with a principal place of business at 9190
19 Double Diamond Pkwy, Reno, NV 89521.

20 12. Defendant Playtika Ltd. is a limited company incorporated and existing under the
21 laws of Israel, with its principal place of business at 8 HaChoshlim Street, Herzliya 4672408,
22 Israel. Playtika Ltd. conducts business throughout Nevada and the United States.

23 13. Defendant Playtika Holding Corp. is a corporation incorporated and existing under
24 the laws of Delaware, with its principal place of business at 2225 Village Walk Drive #240,
25 Henderson, Nevada 89052. Playtika Holding Corp. conducts business throughout Nevada and the
26 United States.

27 14. Defendant Caesars Interactive Entertainment, LLC is a limited liability company
28 organized and existing under the laws of Delaware, with its principal place of business at One

1 Caesars Palace Drive, Las Vegas, Nevada 89109. Caesars Interactive conducts business
2 throughout Nevada and the United States.

3 **JURISDICTION AND VENUE**

4 15. This is a civil action seeking damages and injunctive relief for patent infringement
5 under the patent laws of the United States, Title 35 of the United States Code. This Court has
6 exclusive subject matter jurisdiction over this Complaint pursuant to 28 U.S.C. Sections 1331 and
7 1338(a).

8 16. This Court has personal jurisdiction over Playtika Ltd. Playtika Ltd. directly and
9 through its agents regularly does, solicits, and transacts business in the State of Nevada, including
10 making available the Accused Games (defined below) and related conduct and transactions with
11 co-defendants Playtika Holding Corp. and CIE. Those acts have caused and continue to cause
12 injury to NEXRF.

13 17. This Court has personal jurisdiction over defendants Playtika Holding Corp. and
14 CIE. Each of these entities has its principal place of business in Nevada, and directly and through
15 its agents regularly does, solicits, and transacts business in the State of Nevada. Those acts have
16 caused injury to NEXRF.

17 18. Venue is proper in this District under 28 U.S.C. Sections 1391 and 1400(b).
18 Playtika Ltd. is a foreign corporation, and both Playtika Holding Corp and CIE have regular and
19 established places of business in this District. Playtika Holding Corp. has its principal place of
20 business at 2225 Village Walk Drive #240, Henderson, Nevada 89052. CIE has its principal place
21 of business at One Caesars Palace Drive, Las Vegas, Nevada 89109. Defendants have also
22 committed acts of infringement in this district by selling, using, and/or offering for sale the
23 Accused Games in this District.

24 **JOINDER**

25 19. In 2011, CIE purchased Playtika Ltd.,¹ and owned and operated Playtika Ltd. for
26 several years until it sold Playtika Ltd. to a Chinese entity, Giant Interactive Group.² The 2016

27 ¹ *Caesars Acquires Israel's Playtika*, Global Gaming Business, <https://ggbmagazine.com/article/caesars-acquires-israels-playtika/> (last visited 10/20/2020).

28 ² *China's Giant leads consortium to buy Playtika for \$4.4 billion*, Game Post

1 sale of Playtika did not include the World Series of Poker game or the real-money online gaming
2 business.³

3 20. Playtika has continued to operate CIE-branded games, such as Caesars Casino.⁴
4 The Caesars Rewards program is still associated with other Playtika games, such as Slotomania
5 and Bingo Blitz.⁵

6 21. Playtika and CIE's ongoing relationship relating to many of the Accused Games
7 means that the use of those same games amounts to a single transaction or occurrence as between
8 Defendants. Defendants have been and are acting in concert, and are liable jointly, severally, or
9 otherwise for a right to relief related to or arising out of the same transaction, occurrence, or series
10 of transactions or occurrences related to the making, using, importing into the United States,
11 offering for sale or selling the infringing products in this District. This action involves questions
12 of law and fact that are common to all Defendants.

13 22. Joinder of all Defendants is proper under 35 U.S.C. Section 299(a)(1) & (2).

14 **DEFENDANTS' INFRINGEMENT OF NEXRF'S INTELLECTUAL PROPERTY**

15 23. The recent ubiquity of internet-connected personal devices combined with the
16 unprecedented consequences of the current global pandemic have created a perfect storm for online
17 real-money gambling and social free-to-play gaming.

18 24. Online real-money gaming was recently legalized in a few states, and allows users
19 to wager real money in an online environment similar to a real casino. Online real-money games
20 are associated with a real casino and provide the closest virtual alternative to the physical play of
21 a slot machine in a casino. In the second quarter of 2020 alone, the online casino gambling games
22 market in the US generated over \$400 million in revenue.⁶

23 25. Despite the name, "free-to-play" social casino games are enormously lucrative.

24 ³ <https://venturebeat.com/2016/07/30/chinas-giant-leads-consortium-to-buy-playtika-for-4-4-billion/> (last visited
25 10/20/2020).

³ *Id.*

⁴ *Google Play Store page for Caesars Casino: Free Slots Games,*

⁴ https://play.google.com/store/apps/details?id=com.playtika.caesarscasino&hl=en_US (last visited 10/20/2020).

⁵ *Caesars Play Online,* <https://www.caesars.com/play> (last visited 10/20/2020).

⁶ *Online poker and casino games have tripled their revenue from last year as real-world casinos shut their doors,*
27 Business Insider, [https://www.businessinsider.com/online-poker-casino-games-business-triple-as-casinos-close-](https://www.businessinsider.com/online-poker-casino-games-business-triple-as-casinos-close-2020)
28 [2020](https://www.businessinsider.com/online-poker-casino-games-business-triple-as-casinos-close-2020) & (last visited 10/20/2020).

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.