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**UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA**

MDY INDUSTRIES, LLC, )  
)  
Plaintiff and Counter-Claim )  
Defendant )  
vs. )  
)  
BLIZZARD ENTERTAINMENT, INC., )  
and VIVENDI GAMES, INC. )  
)  
Defendants and )  
Counter-Claim Plaintiffs. )

**Case No.:** CV06-02555-PHX-DGC

**BLIZZARD ENTERTAINMENT,  
INC. AND VIVENDI GAMES,  
INC. RESPONSE TO MDY  
INDUSTRIES, LLC and  
MICHAEL DONNELLY'S  
MOTION FOR SUMMARY  
JUDGMENT**

The Honorable David G. Campbell

BLIZZARD ENTERTAINMENT, INC., )  
and VIVENDI GAMES, INC. )  
)  
Third-Party Plaintiffs, )  
vs. )  
)  
MICHAEL DONNELLY, )  
)  
Third-Party Defendant. )

Blizzard Entertainment, Inc. and Vivendi Games, Inc. (collectively,  
"Blizzard") submit the following memorandum in opposition to MDY Industries,  
LLC and Michael Donnelly's (collectively, "MDY") motion for summary judgment  
on Blizzard's claims for secondary copyright infringement, DMCA trafficking,

1 tortious interference with contractual relationships, and unjust enrichment. For the  
2 reasons stated herein, MDY’s motion should be denied.

3 **I. Introduction**

4 As detailed in Blizzard’s own motion for summary judgment and supporting  
5 papers, Blizzard is the creator, licensor, and operator of the online game World of  
6 Warcraft (“WoW”), in which players join together online to create characters,  
7 socialize and explore a rich virtual universe. (See Blizzard’s Statement of Facts in  
8 Supp. of Their Mot. for Summ. J. (“SOF”) ¶ 9-12, 25). Blizzard enforces its rights in  
9 and to the game through both the WoW End User License Agreement (“EULA”) and  
10 Terms of Use (“TOU”), as well as technological measures designed to prevent users  
11 from accessing the copyrighted game content in an unauthorized manner. (SOF ¶  
12 84, 105-119). Blizzard demonstrated in its motion that MDY’s promotion, sale and  
13 support of the Glider “bot” program has induced tens of thousands of third parties to  
14 infringe Blizzard’s copyrights and breach its agreements, and in the process damaged  
15 the WoW gaming experience for other players and forced Blizzard to divert  
16 significant resources from game development and support to efforts to stop Glider.  
17 (SOF ¶ 238-42). MDY has also frustrated Blizzard’s ability to enforce its rights  
18 against Glider users by enabling them to circumvent Blizzard’s technological access  
19 controls and conceal their infringements from Blizzard.

20 Against this backdrop, MDY seeks summary judgment on Blizzard’s claims  
21 for secondary copyright infringement, DMCA trafficking, tortious interference, and  
22 unjust enrichment, in each instance focusing only on isolated elements of those  
23 claims that MDY contends Blizzard has failed to establish as a matter of law.<sup>1</sup> In its  
24 motion, however, MDY misconstrues well established law defining the scope of  
25 copyright and DMCA claims; law that compels entry of judgment in favor of  
26 Blizzard.

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27  
28 <sup>1</sup> Blizzard does not oppose MDY’s motion as to Blizzard’s common law unfair  
competition claim.

1 In support of its arguments on tortious interference and unjust enrichment,  
2 MDY blatantly ignores the inconvenient facts of record (set forth in Blizzard's own  
3 motion) that clearly demonstrate the impropriety of its conduct and resulting harm,  
4 and instead seeks summary judgment largely on the basis of a self-serving,  
5 uncorroborated affidavit from Michael Donnelly that attempts to retroactively  
6 transform the true nature of MDY's business and the Glider product. Donnelly's  
7 affidavit portrays MDY as a business that seeks only mutual success with Blizzard,  
8 claims that MDY has always steered Glider users from particularly exploitive uses  
9 like gold farming, and even disingenuously suggests one aim of Glider is to assist the  
10 disabled to play WoW. (See MDY SOF ¶ 41-43, 51-56).

11 The complete, corroborated facts of record, however, tell a much different  
12 story. MDY's own prior admissions, marketing efforts, business tactics, and  
13 disregard for the concerns of Blizzard and the WoW population at large make clear  
14 that neither MDY's intentions nor its practices are nearly so noble. (SOF ¶ 158-70,  
15 177-97, 234-47). Rather, like the purveyors of file-sharing programs, MDY  
16 designed Glider to enable and profit from third-party infringements. Here, Glider is  
17 a parasite program through which its creator MDY, and Glider users, improperly  
18 exploit the intellectual property of a single host -- WoW -- for their own commercial  
19 gain.

20 As demonstrated herein, under the prevailing law and undisputed facts of  
21 record, Blizzard, not MDY, is entitled to summary judgment on its claims for  
22 copyright infringement, DMCA trafficking and tortious interference.

## 23 **II. The Standard of Review on Summary Judgment**

24 Summary judgment is appropriate if the evidence, viewed in the light most  
25 favorable to the nonmoving party, "show[s] that there is no genuine issue as to any  
26 material fact and that the moving party is entitled to judgment as a matter of law.  
27 Only disputes over facts that might affect the outcome of the suit . . . will properly  
28 preclude the entry of summary judgment." *Lemon v. Harlem Globetrotters Int'l.*,

1 *Inc.*, 437 F. Supp. 2d 1089, 1093 (D. Ariz. 2006) (Campbell, J.) (alteration in  
2 original). Moreover, the Ninth Circuit has refused to find a “genuine issue” where  
3 the only evidence presented is “uncorroborated and self-serving” testimony.

4 *Kennedy v. Applause, Inc.*, 90 F.3d 1477, 1481 (9th Cir. 1996).

5 **III. Under Well Established Ninth Circuit Law and the Undisputed Facts**  
6 **of Record, Glider Users’ Copying of WoW in Excess of the WoW**  
7 **EULA and TOU Constitutes Copyright Infringement.**

8 MDY’s sole ground for seeking summary judgment on Blizzard’s secondary  
9 infringement claim is its assertion that Glider users do not directly infringe  
10 Blizzard’s copyrights. MDY appears to concede, as it must, that Glider users’  
11 loading of WoW into RAM is “copying” under firmly established Ninth Circuit law.<sup>2</sup>  
12 MDY further acknowledges that the WoW EULA and TOU authorize WoW users to  
13 make the copy in RAM, *subject to the conditions in the license*. (MDY Mem. at 8-9)  
14 (emphasis added). One such condition is that users do not run WoW with  
15 unauthorized programs like Glider. (SOF ¶ 178). Thus, when Glider users load  
16 WoW into RAM in conjunction with Glider, there is no question that a copy is  
17 created, and that the copy breaches WoW’s license restrictions.

18 MDY asserts, however, that Glider users’ copying of WoW in excess of the  
19 EULA constitutes merely a breach of contract, and not copyright infringement. This  
20 assertion runs directly counter to well established Ninth Circuit law. In the Ninth  
21 Circuit, breaches of a license equate to infringement where, as in this case, the  
22 license that gives users the right to use the work also conditions that right on  
23 compliance with certain restrictions on how the work may be used.

24 **A. Glider Users Make Unauthorized Copies of WoW by Loading**  
25 **the WoW Software into RAM in Conjunction with Glider.**

26 There is no factual dispute that to run Glider with WoW, users must copy  
27 WoW from their hard drive into their computers’ RAM. (SOF ¶ 50-52).

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28 <sup>2</sup> *MAI Sys. v. Peak Computer, Inc.* 991 F.2d 511, 519 (9th Cir. 1993).

1 Significantly, WoW is a dynamic game. When a user first launches WoW, the  
2 executable of the program is loaded into RAM, and as the user moves through the  
3 game, additional copyrighted game content is loaded from the hard drive into RAM  
4 when the player reaches points in the game with which that content is associated.  
5 (SOF ¶ 51).<sup>3</sup>

6 WoW players' authority to copy and use the WoW client is governed by the  
7 terms of the WoW EULA and TOU, which conditions users' ability to copy WoW  
8 on their doing so within the scope of the license. (SOF ¶ 89-95). Specifically, the  
9 EULA states the following:

- 10 • IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, YOU  
11 ARE NOT PERMITTED TO INSTALL, COPY, OR USE THE GAME. (SOF  
12 ¶ 89).
- 13 • The Game is distributed solely for use by authorized end users according to the  
14 terms of the License Agreement. *Any use, reproduction, modification or  
15 distribution of the Game not expressly authorized by the terms of the License  
16 Agreement is expressly prohibited.* (SOF ¶ 89, 94).
- 17 • 1. Grant of a Limited Use License. If you agree to this License Agreement,  
18 computer software (hereafter referred to as the "Game Client") will be installed  
19 onto your hardware. . . . *Subject to your agreement to and continuing  
20 compliance with this License Agreement, Blizzard hereby grants, and you  
21 hereby accept, a limited, non-exclusive license . . . All use of the Game Client is  
22 subject to this License Agreement and to the Terms of Use agreement, both of  
23 which you must accept before you can use your Account to play the Game.*  
(SOF Supp. ¶ 265).
- 24 • 3. Ownership. A. *All title, ownership rights and intellectual property rights in  
25 and to the Game and all copies thereof . . . are owned or licensed by Blizzard.*  
(SOF Supp. ¶ 265).
- 26 • 4. Responsibilities of End User. A. *Subject to the license granted hereunder,  
27 you may not, in whole or in part, copy . . . the Game.* Failure to comply with the  
28 restrictions and limitations contained in this Section 4 shall result in immediate,

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24  
25 <sup>3</sup> The testimony in the record makes clear that in order to avoid easy detection and  
26 blocking of Glider by Blizzard's anti-cheat technology, Glider users have relied on  
27 Glider's "launch pad" to *initiate* the start up and loading of WoW into RAM. (SOF  
28 ¶ 135). However, even if a Glider user chooses to launch WoW first, without using  
the Glider launch pad, and then subsequently launches Glider to run with WoW, that  
user continues to load expressive game content from the user's hard drive into RAM  
as he progresses through the game, and the copying of that content occurs in  
conjunction with running Glider. (SOF ¶ 51).

1           automatic termination of the license granted hereunder . . . . (SOF Supp. ¶  
2           265).<sup>4</sup>

3           As detailed in Blizzard’s own motion for summary judgment, the WoW license  
4           restrictions clearly condition a user’s right to copy WoW into RAM on his doing so  
5           via authorized connections and without running WoW in conjunction with bot  
6           programs like Glider. Accordingly, loading WoW with Glider plainly exceeds the  
7           scope of authorized copying under the EULA and TOU. (Blizzard Mem. at 6-  
8           7)(*citing* relevant EULA and TOU provisions and demonstrating how Glider violates  
9           them).

10           **B.    Glider Users’ Copying of WoW in Excess of Their Rights  
11           Under the EULA and TOU Is Infringing.**

12           In asserting that Glider users’ unauthorized copying of WoW constitutes  
13           merely a breach of contract, and not copyright infringement, MDY fails to  
14           acknowledge the Ninth Circuit’s well established recognition of a copyright owner’s  
15           right to pursue claims for infringement where a licensee acts in excess of the license  
16           scope. MDY may wish as a “matter of public policy” that copyright “cannot be  
17           made to bear so much weight,” but established case law amply supports Blizzard’s  
18           claim for infringement. (MDY Mem. at 8).

19           In fact, it is MDY’s argument for an exclusive contractual remedy that  
20           overstates the law. MDY contends that “by granting a nonexclusive license to use  
21           copyrighted material, the copyright owner waives *any* right to sue its licensee for  
22           infringing its copyright.” (*Id.* 9)(emphasis added). MDY implies, falsely, that this is  
23           a hard and fast rule, and selectively cites cases involving *exclusive* and *compulsory*  
24           licenses, as opposed to nonexclusive licenses conditioned on authorized use.<sup>5</sup> The

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25           <sup>4</sup> Section 4 of the TOU, which prohibits the use of unauthorized third party programs  
26           such as Glider, similarly is entitled “Limitations on Your Use of the Service.” (Ex.  
27           18 to Blizzard’s SOF).

28           <sup>5</sup> *See id.* at 9, nn. 16-17, citing *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d  
1332, 1338 (9<sup>th</sup> Cir. 1990)(addressing claim under the compulsory music license in  
Section 115 of the Copyright Act); and *United States Naval Inst. v. Charter  
Commc’ns, Inc.*, 936 F.2d 692, 695 (2d Cir. 1991)(addressing an *exclusive* license).

1 Ninth Circuit has repeatedly affirmed, however, that when “a license is limited in  
2 scope and the licensee acts outside the scope, the licensor can bring an action for  
3 copyright infringement.”<sup>6</sup> In determining whether a copyright owner may pursue a  
4 claim for infringement, the key inquiry is whether the license terms at issue are  
5 *limitations on the scope of the license*, in which case a breach equates to  
6 infringement, or merely contractual covenants independent from the use rights  
7 granted under the license, in which case the remedy sounds in contract. *Sun I*, 188  
8 F.3d at 1121. The analysis employed in answering this inquiry compels the  
9 conclusion that Blizzard’s license restrictions are the former.

10 For example, in *Sun Microsystems, Inc. v. Microsoft Corp.*,<sup>7</sup> the district court,  
11 at the specific direction of the Ninth Circuit on remand, analyzed whether a license  
12 term that required software the defendant developed with plaintiff’s copyrighted  
13 software to be “compatible” with certain other software helped define the scope of  
14 the license. The court concluded that the “compatibility” provision was merely a  
15 separate contractual covenant, because the license said “nothing about the license  
16 grants being *subject to, conditional on, or limited by compliance* with the  
17 compatibility obligations,” and did not give the licensor an unqualified right to  
18 terminate the license for failure to comply with the provision. *Id.* at 1032-33. By  
19 contrast, the WoW EULA contains the very provisions that were lacking in *Sun II*,  
20 and which evidence that Blizzard’s prohibitions on impermissible uses of WoW help  
21 define the scope of the license. The WoW EULA clearly provides a “Grant of a  
22 Limited Use License,” conditions licensees’ rights to use and copy the program on  
23  
24  
25

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26 <sup>6</sup> *Sun Microsystems, Inc. v. Microsoft Corp.*, 188 F.3d 1115, 11-22 (9th Cir. 1999);  
27 *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1085, 1087 (9th Cir. 1989); and *LGS*  
*Architects, Inc. v. Concordia Homes*, 434 F. 3d 1150, 1156 (9th Cir. 2006).

28 <sup>7</sup> 81 F. Supp. 2d 1026, 1032 (N.D. Cal. 2000) (“*Sun II*” )

1 continued compliance with the license,<sup>8</sup> and permits Blizzard to terminate the license  
2 in the event of non-compliance.<sup>9</sup>

3 Another recent district court decision is likewise instructive. In *Netbula, LLC*  
4 *v. Storage Technology Corp.*,<sup>10</sup> the court assessed whether two distinct licenses  
5 involving the same software — one defining the number of users permitted to use the  
6 software, the other restricting the operating systems that could be used in  
7 conjunction with the software — constituted limitations on the scope of the licenses.  
8 After surveying Ninth Circuit authority, the court held that the former provision was  
9 merely a secondary contractual covenant, while the latter limited the scope of the  
10 license itself. In deeming the limit on the number of users a separate contractual  
11 covenant, the court explained that “[t]his provision does not limit *how* the software  
12 may be used, but instead defines what the purchase of one license gives the buyer.”  
13 *Id.* at \*5 (emphasis in original). By contrast, the court found the limitation on  
14 operating systems that could be used with the software “[I]ike the license in *LGS* and  
15 *S.O.S.*” a restriction on “the way in which the licensed material may be used and  
16 [thus] part and parcel of the license grant itself.” *Id.* Because the second license  
17 “restriction limit[ed] the breadth of the license,” the court held the breach of that  
18 provision formed the grounds for an infringement claim. *Id.*

19 As in *Netbula*, the WoW license restrictions condition “*how* the [WoW]  
20 software may be used” (and specifically under what conditions users are authorized  
21 to load the software into RAM) and thus “*limi[t] the breadth of the license.*” *Id.*

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23  
24 <sup>8</sup> (e.g., “*Subject to your agreement to and continuing compliance with this License*  
25 *Agreement, Blizzard hereby grants, and you hereby accept, a limited, non-exclusive*  
*license*”; “*Subject to the license granted hereunder, you may not, in whole or in part,*  
*copy . . . the game*”)(SOF Supp. ¶ 265).

26 <sup>9</sup> “*Failure to comply with the restrictions and limitations contained in this Section 4*  
27 *shall result in immediate, automatic termination of the license granted hereunder*”).  
(SOF Supp. ¶ 265).

28 <sup>10</sup> No. C06-07391 MJJ, slip op., 2008 WL 228036 (N.D. Cal Jan. 18, 2008).

1 When the rights conferred by a license are subject to such limitations, the breach of  
2 that license is plainly grounds for infringement. *Id.*; *Sun II*, 81 F. Supp. 2d at 1032-  
3 33; *see also Ticketmaster, L.L.C. v. RMG Techs., Inc.* 507 F. Supp. 2d 1096, 1102-  
4 03, 1109-10 (C.D. Cal. 2007)(holding that using a bot program to access and  
5 download copies of copyrighted web pages into RAM in order to purchase large  
6 quantities of tickets — where the use of bots for this purpose was prohibited by the  
7 website’s terms of use — infringed Ticketmaster’s copyrights).

8 In lieu of this authority from within the Ninth Circuit, MDY relies heavily on  
9 the Federal Circuit case *Storage Technology Corp. v. Custom Hardware Engineering*  
10 *& Consulting, Inc.*<sup>11</sup> That case, however, is inapposite. First, the court’s holding of  
11 non-infringement hinged on the fact that the StorageTek license at issue placed *no*  
12 *restriction* on the defendant’s right to *copy* the maintenance code at issue (i.e., load  
13 the code into RAM), and thus the license authorized the copying of that code.<sup>12</sup>  
14 Moreover, the court’s reasoning that “‘uses’ that violate a license agreement  
15 constitute copyright infringement only when those uses would infringe in the  
16 absence of any license agreement at all” actually compels a finding of infringement  
17 in this case. *Id.* at 1316. Here, there is no question that, in the absence of *any*  
18 license at all, users would have no right to copy WoW into RAM. By MDY’s own  
19 admission, that right is *granted* to users in the WoW licenses. (MDY Mem. at 9).  
20 Absent the license, the use objected to here - copying into RAM - would infringe.

21 Accordingly, where the same license that confers the right to copy also  
22 conditions that right on continued compliance with certain restrictions, exceeding  
23 those restrictions is infringement. Indeed, the *Storage Technology Corp.* court  
24 recognized as much by distinguishing its facts from those at issue in *S.O.S., Inc.*,<sup>13</sup>

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25  
26 <sup>11</sup> 421 F.3d 1307 (Fed. Cir. 2005).

27 <sup>12</sup> 421 F.3d at 1315-16.

28 <sup>13</sup> 886 F.2d 1081, 1087 (9th Cir. 1989).

1 where the use the copyright owner objected to included copying of its software. 421  
2 F.3d at 1316. As in *S.O.S., Netbula, and Ticketmaster*, and contrary to *Storage*  
3 *Technology Corp.*, the act complained of in this case is the *unauthorized copying* of  
4 WoW into RAM. The WoW license restrictions, unlike the agreement in *Storage*  
5 *Technology Corp.*, subject users' authorization to copy and use WoW to certain  
6 conditions. When a Glider user exceeds those restrictions, he infringes.

7 **IV. Blizzard's Warden and Scan.dll are Technological Measures that**  
8 **Effectively Control Access to Blizzard's Copyrighted Work and**  
9 **Protect Blizzard's Rights as a Copyright Owner.**

10 MDY does not, because it cannot, contest that it sells a program primarily  
11 designed to circumvent Blizzard's anti-cheat technologies. Rather, MDY seeks  
12 summary judgment on Blizzard's DMCA claims solely on the grounds that: 1)  
13 Blizzard's anti-cheat technologies do not qualify as "technological measure[s] that  
14 effectively *contro[l] access* to a [copyrighted] work" under the Digital Millennium  
15 Copyright Act, 17 U.S.C. § 1201(a)(2) and (a)(3)(b)(emphasis added); and 2) If  
16 Blizzard's anti-cheat technologies are such measures, MDY cannot be liable under  
17 Section 1201(a)(2) because no reasonable relationship exists between the access  
18 gained to WoW by Glider and consequential copyright infringement. The facts  
19 concerning how Blizzard's technologies work are undisputed, but MDY misapplies  
20 applicable precedent and neglects to address certain of Blizzard's grounds for  
21 DMCA liability.<sup>14</sup>

22 **A. Blizzard's Anti-Cheat Technology Effectively Controls Access to and**  
23 **Protects Blizzard's Rights in WoW and Portions Thereof.**

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24 <sup>14</sup> As discussed in Section III.A.2 and B. *infra*, MDY fails to address Blizzard's  
25 distinct claim under 17 U.S.C. § 1201(b)(1)(A) that Glider circumvents  
26 "technological measure[s] that effectively *protec[t] a right of a copyright owner . . .*  
27 *in a work or portion thereof,*" *id.* (emphasis added) beyond including the statutory  
28 reference in its heading and topic sentence for its DMCA argument. As detailed  
*infra*, § 1201(b)(1)(A) protects a separate right of a copyright owner, in Blizzard's  
case its right to preclude WoW users from loading copyrighted WoW content into  
RAM in excess of their license.

1 In order to access the expressive, copyrighted WoW game content, a user  
2 must load the executable portion of the WoW client into her computer's RAM and  
3 connect to Blizzard's WoW servers, after which point substantial additional  
4 expressive content continues to be loaded into RAM as the user encounter new  
5 aspects of the WoW universe. (SOF ¶ 51). As detailed in Blizzard's own motion,  
6 Blizzard's "Warden" anti-cheat technology, comprised of two components -- scan.dll  
7 and the Warden resident component<sup>15</sup> -- is designed to safeguard access to this  
8 expressive content, and enforce the WoW license restrictions on copying and use of  
9 the program in conjunction with unauthorized programs. (Blizzard Mem. at 11-13).

10 **1. Scan.dll and Warden are Effective Access Controls**

11 The DMCA states that "a technological measure 'effectively controls access  
12 to a work' if the measure, in the ordinary course of its operation, requires the  
13 application of information, or a process or a treatment, with the authority of the  
14 copyright owner, to gain access to the work." 17 U.S.C. § 1201(a)(3)(B). Here,  
15 scan.dll loads immediately upon launching the game, scans the RAM of the user's  
16 computer to ensure the copy of WoW supplies only the authorized information — a  
17 clean copy of WoW free of unauthorized cheats — and denies a user access to the  
18 game servers and the expressive game content on the client if it detects a cheat.  
19 (SOF ¶ 108-114). If the user removes the cheat from memory, launches the game  
20 again and supplies the correct information to pass the check, scan.dll will then permit  
21 the user to log in and access the copyrighted content.

22 MDY contends that scan.dll, even if it is a DMCA access control, is not  
23 "effective," because a user can delete the file containing scan.dll from his hard drive  
24 to prevent its operation. This assertion is belied by the facts of record, however, and  
25 contrary to established case law. Identifying and locating the file containing scan.dll

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26  
27 <sup>15</sup> Although the two components collectively comprise the "Warden" anti-cheat  
28 technology, Blizzard uses the term "Warden" herein to refer to the resident  
component.

1 that is installed along with the WoW client is hardly trivial, and there is no evidence  
2 in the record that WoW users have successfully disabled scan.dll by doing so. In  
3 fact, when scan.dll was successful in identifying and blocking access to WoW in  
4 conjunction with Glider, MDY did not merely demonstrate to his users how they  
5 could “easily” remove the scan.dll file to resume use of Glider. MDY instead  
6 invested the time and effort to analyze the process scan.dll ran to identify Glider, and  
7 modified the Glider code to conceal itself and circumvent that process. (SOF Supp.  
8 ¶ 274). Moreover, the mere fact that Glider circumvents this access measure does  
9 not render the control ineffective, because any claim under this section of the DMCA  
10 must arise from the circumvention of an access measure; reading successful  
11 circumvention as an indicator of the ineffectiveness of a control would eliminate all  
12 claims under the statute.<sup>16</sup> Here, the fact that scan.dll has, with the notable exception  
13 of Glider, been extremely successful in blocking access to users running  
14 unauthorized programs in conjunction with WoW, demonstrates that it is an  
15 “effective” access control. (SOF ¶ 114).

16 Warden provides a secondary access control after scan.dll permits initial  
17 access to the game, either because no cheat was running at the time or because the  
18 cheat successfully circumvented scan.dll. Warden continuously scans the  
19 computer’s RAM while the user is connected to Blizzard’s game server, and can  
20 automatically revoke a user’s access to the game upon detection. (SOF ¶ 115-19).  
21 Warden has located cheats and revoked user access tens of thousands of times  
22 (including periodic success with Glider), proving it to be an effective measure  
23 against virtually every cheat Blizzard has encountered, save Glider. (SOF ¶ 114).  
24 MDY styles Warden as a “data reporting machine,” and contends it cannot be an  
25

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26 <sup>16</sup> *Universal City Studios, Inc. v. Reimerdes*, 111 F. Supp. 2d 294, 317-18 (S.D.N.Y.  
27 2000) (rejecting argument that “weak cipher” that was “trivial” to circumvent was  
28 not an effective access control), *aff’d sub nom. Universal City Studios, Inc. v. Corley*, 273 F.3d 429 (2d Cir. 2001).

1 access control because while Warden runs a user is able to access the WoW content  
2 and play the game. This argument neglects to acknowledge, however, that once  
3 Warden detects and reports the presence of a cheat, Warden can then *revoke* a user's  
4 continued access to that game content. (SOF ¶ 116-17).

5 **2. Scan.dll and Warden effectively protect Blizzard's rights**  
6 **in WoW and portions thereof**

7 MDY fails to address Blizzard's distinct claim under Section 1201(b)(1)(A)  
8 that Scan.dll and Warden are "technological measure[s] that effectively protect[] a  
9 right of a copyright owner under this title in *a work or a portion thereof*." 17 U.S.C.  
10 §1201 12 (b)(1)(A) (emphasis added). Under Section 1201(b)(2)(B) of the DMCA,  
11 "a technological measure 'effectively protects a right of a copyright owner under this  
12 title' if the measure, in the ordinary course of its operation, prevents, restricts, or  
13 otherwise limits the *exercise of a right of a copyright owner* under this title." *Id.* §  
14 1201(b)(2)(B). Here, both Scan.dll and Warden protect Blizzard's well established  
15 right to prevent unauthorized copying of WoW in excess of the WoW license  
16 restrictions.

17 When scan.dll prohibits a user from accessing the game, it precludes any  
18 copyrighted game assets (beyond the initial authentication module) from being  
19 loaded into the user's RAM. (SOF ¶ 111). Similarly, when Warden detects a cheat,  
20 it prevents additional copyrighted portions of WoW from being copied into RAM  
21 without authorization. (SOF ¶ 116). Because loading a program into RAM  
22 constitutes copying for purposes of copyright law, loading WoW in excess of  
23 Blizzard's authorization under the WoW EULA and TOU (i.e., in conjunction with  
24 Glider) violates Blizzard's exclusive right to make copies of WoW.<sup>17</sup> Accordingly,  
25 because Scan.dll and Warden prevent a Glider user from copying substantial  
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<sup>17</sup> *MAI Systems*, 991 F.2d at 518-19.

1 additional portions of Blizzard’s copyrighted work, they qualify as technological  
2 protection measures under § 1201(b)(2)(B).<sup>18</sup>

3 **B. In Circumventing Scan.dll and Warden, Glider Enables Users**  
4 **to Make Unauthorized Use and Copies of WoW.**

5 MDY contends that even if scan.dll and Warden are “effective access control  
6 measures,” MDY has not violated § 1201(a)(2) of the DMCA because Glider’s  
7 circumvention lacks a “reasonable relationship” to the protection of the copyrighted  
8 WoW work. Specifically, MDY argues that Glider’s circumvention of scan.dll and  
9 Warden merely enables Glider users’ “rightful access” to WoW, and does not enable  
10 them to make any use of WoW they would not otherwise have the ability, and the  
11 right, to make without Glider. In making this argument, MDY draws a flawed  
12 comparison between Glider and the universal garage door remote control at issue in  
13 *Chamberlain Group, Inc. v. Skylink Technologies, Inc.*<sup>19</sup>

14 In *Skylink*, the court rejected the plaintiff Chamberlain’s DMCA claim  
15 because it found no nexus between the circumvention and Chamberlain’s protection  
16 of its copyrighted work where Chamberlain made *no attempt to limit* its customers  
17 inherent right to use the product they purchased, and where Chamberlain could not  
18 allege that Skylink’s device contributed to third-party copyright infringements. *Id.* at  
19 1187, 1203-04. The facts here differ on these critical points. First, Chamberlain sold  
20 a product; it did not, as Blizzard does, license limited rights to use its software.  
21 Second, given the nature of the equipment at issue in *Skylink*, no “copies” were  
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24 <sup>18</sup> *Ticketmaster* 507 F. Supp. 2d at 1112. (CAPTCHA program that prevented user  
25 from using bots to access copyrighted website content “both *control[led]* access to a  
26 protected work [under § 1201(a)(2)] because a user cannot proceed to copyright  
27 protected webpages without solving CAPTCHA, and *protect[ed]* rights of a  
copyright owner [under § 1201(b)(1)] because, by preventing automated access to  
the ticket purchase webpage, CAPTCHA prevents users from copying those pages  
[into RAM].”) (emphasis added.)

28 <sup>19</sup> 381 F.3d 1178 (Fed Cir. 2004).

1 made, as no software was loaded into RAM in connection with its operation, and  
2 thus Chamberlain offered no evidence that users of Skylink’s devices infringed.

3 In this case, however, Blizzard has pursued a contributory infringement claim,  
4 because Glider users do make unauthorized copies of WoW when they load it in  
5 RAM in connection with Glider. *Skylink* makes clear that had Chamberlain been  
6 able to proffer evidence of limitations on use that implicated its rights to protect a  
7 copyrighted work, as Blizzard has here, Chamberlain could have sustained its claim.  
8 *Id.* at 1204. Significantly, MDY appears to concede this distinction by addressing  
9 this argument solely to Blizzard’s “access” claim under § 1201(a)(2), and not  
10 Blizzard’s § 1201(b)(1) “protection” claim, which centers on Blizzard’s right to  
11 prevent users from making unauthorized copies of WoW in excess of the EULA.  
12 Indeed, *Skylink* acknowledges it has no application to 1201(b)(1) claims.<sup>20</sup>

13 Accordingly, MDY’s attempt to equate Glider with the Skylink device fails.  
14 As MDY notes, the Skylink device “did not enhance the user’s ability to copy or  
15 distribute the software over *anything the user could have done without the*  
16 *defendant’s device.*” (MDY Mem. at 16). The same does not hold true for Glider, as  
17 shown by a simple example of two hypothetical WoW users. All purchasers of  
18 WoW have the right to use the game, and load copies into RAM, consistent with the  
19 EULA and TOU limitations. User “A” loads WoW into RAM and runs the program  
20 without Glider or any other cheat. User “B” loads WoW into RAM in conjunction  
21 with Glider. Scan.dll and Warden are designed to check the information being  
22 supplied by the program and permit user A’s *rightful* (i.e., consistent with the EULA  
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25 <sup>20</sup> 381 F.3d at 1195 (“all defendants who traffic in devices that circumvent rights  
26 controls [under § 1201(b)(1)] necessarily facilitate infringement”). Moreover,  
27 *Skylink* does not foreclose liability under § 1201(a)(2) in this case even if the Court  
28 concludes that Glider facilitates merely a breach of contract, and not infringement.  
*Id.* at 1202 n.17 (“[i]t is not clear whether a consumer who circumvents a  
technological measure controlling access to a copyrighted work in a manner that  
enables uses permitted under the Copyright Act but prohibited by contract can be  
subject to liability under the DMCA”).

1 and TOU) access to the game, while blocking user B’s attempt to gain wrongful  
2 access to the game (i.e., in excess of the license restrictions). In other words, these  
3 measures enforce Blizzard’s license restrictions on accessing and copying the  
4 content into RAM. Precisely because of Glider’s ability to circumvent Scan.dll and  
5 Warden, however, user B is able to gain *unauthorized access* to and make  
6 *unauthorized copies* of WoW in RAM. In so doing, user B is *not* merely gaining the  
7 same “rightful access” as user A.<sup>21</sup> Unlike the Skylink device, then, Glider’s  
8 circumvention ability clearly enhances the user’s ability to load unauthorized copies  
9 of WoW it would otherwise be prevented from making, and thus is tied directly to  
10 Blizzard’s interest in protecting its copyrighted work.

11 **V. Blizzard Has Proffered Substantial Evidence that MDY’s Promotion**  
12 **And Support of Glider Intentionally and Improperly Interferes With**  
13 **Blizzard’s Contracts With WoW Users and Causes Blizzard Harm.**

14 MDY contends that Blizzard has failed to present sufficient evidence on three  
15 elements of its tort claim: 1) MDY’s improper purpose; 2) MDY’s intent to  
16 interfere; and 3) resultant harm to Blizzard. In so arguing, MDY distorts the legal  
17 burden imposed on Blizzard and disregards significant evidence of record in favor of  
18 a self-serving affidavit by Michael Donnelly in which he, belatedly and implausibly,  
19 insists that MDY’s motives and tactics are pure. MDY’s actions and pre-litigation  
20 statements, however, overwhelmingly establish the impropriety and intentional  
21 nature of its interference, and the hundreds of thousands of complaints by WoW  
22 players and substantial expenditures incurred by Blizzard in combating Glider  
23 evidence the serious harm MDY has caused. (SOF ¶¶ 158-70, 177-97, 234-47).

24 **A. MDY’s Interference Was Improper.**

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27 <sup>21</sup> Only if user B ceases using Glider altogether does his access equate to user A’s.  
28 Of course if Glider is not used, then no circumvention is necessary, and the point is moot.

1 Both parties agree that the Restatement test, which cites seven factors to  
2 consider in determining whether conduct is improper, is the applicable standard for  
3 assessing impropriety.

4 **1. Nature of conduct**

5 MDY asserts that Blizzard must show that MDY's conduct is either "illegal or  
6 inequitable" and then summarily proclaims that Blizzard has shown neither. The  
7 *Bar J Bar* case on which MDY relies, however, plainly states that inequitable  
8 conduct includes both acts constituting fraud and those counter to public policy.<sup>22</sup>  
9 Here, MDY's business offers no independent good - Glider simply enables users to  
10 cheat. Indeed, its sole aim is to encourage and enable a group of opportunistic  
11 cheaters to exploit the WoW game for their own benefit, to the dismay and  
12 frustration of not only Blizzard, but the rule-abiding players whose experience is  
13 sullied. (SOF ¶ 159-70). The public interest is hardly advanced by MDY's  
14 actions.<sup>23</sup>

15 Moreover, MDY's entire business model is premised on a fraud. MDY has  
16 acknowledged that the market for Glider is dependent upon MDY's ability to ensure  
17 users successfully defraud Blizzard by concealing their breaches. (SOF ¶ 145-48).  
18 Moreover, MDY's self-serving affidavit regarding Glider's "inefficiency" for use in  
19 gold farming notwithstanding, MDY's actions reveal that it knows the market for  
20 Glider is driven largely by those seeking to exploit WoW for their own profit. (SOF  
21 ¶ 188-97, 244-47). To sustain its business, MDY has also committed additional  
22 breaches of the WoW EULA and TOU, including reverse engineering WoW and  
23 sharing WoW accounts to test Glider surreptitiously. (SOF ¶ 234, 245).

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25 <sup>22</sup> *Bar J Bar Cattle Co. v. Pace*, 158 Ariz. 481, 484-85 (Ariz. Ct. App. 1988).

26  
27 <sup>23</sup> *Universal City Studios, Inc. v. Sony Corp. of Am.*, 659 F.2d 963, 976 (9th Cir.  
28 1981) (noting in copyright case that once the court finds infringement of plaintiff's  
rights, "the continued profitability of [defendants'] businesses is of secondary  
concern").

1           Against this evidence, MDY offers only the unsupported assertion that “[a]n  
2 accused tortfeasor cannot tortiously interfere with a plaintiff when the tortfeasor  
3 benefits from the plaintiff’s well being.” (MDY Mem. at 19). On the contrary, in  
4 *Am. Airlines, Inc. v. Platinum Worlds Travel*, the broker service held liable for  
5 tortious interference for its purchase and resale of frequent flyer vouchers depended  
6 on American Airlines continuing to award the vouchers and make the flights from  
7 which the defendant improperly profited.<sup>24</sup> Moreover, like the broker in *Am.*  
8 *Airlines*, although MDY’s business is dependent upon Blizzard’s continued viability,  
9 the key determinant of MDY’s continued success is its ongoing ability to defraud  
10 Blizzard about Glider usage. (SOF ¶ 242).

## 11                           **2.     MDY’s motive**

12           In addressing its motive, MDY relies exclusively on the *Bar J Bar* case, and  
13 grossly exaggerates the import of its holding, contending that “[m]alice must be the  
14 sole motivator for the actor to interfere tortiously.” (MDY Mem. at 19). This  
15 statement finds no support in *Bar J Bar* or elsewhere. Under the Restatement,  
16 *motive* is but one of seven factors a court should consider in determining whether  
17 conduct is *improper*. *Malice* is not a factor at all, as an interferor’s motive may be  
18 improper without being malicious.<sup>25</sup> In fact, *Bar J Bar* stands only for the inverse,  
19 and unremarkable, proposition that a tortfeasor’s ill will toward the aggrieved party  
20 will not, standing alone, render him liable if his conduct is not otherwise improper.

21           MDY also cites *Bar J Bar* for the proposition that “[a] competitor does not act  
22 improperly if his purpose at least in part is to advance his own economic interests.”  
23 (MDY Mem. at 19-20). This statement, however, emanates from the portion of the  
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25           <sup>24</sup> 769 F. Supp. 1203, 1204 (D. Utah 1990), *affd sub nom. Am. Airlines v.*  
26 *Christensen*, 967, F. 2d 410 (10th Cir. 1992).

27           <sup>25</sup> For example, conduct in violation of a statute or contrary to public policy may  
28 render conduct improper regardless of the other factors. *Wells Fargo Bank*, 38 P.3d  
at 32-33.

1 Restatement addressing the situation where an interferor justifiably seeks a share of a  
2 competitor's market.<sup>26</sup> Here, MDY is *not* a competitor, and seeks no such thing. By  
3 its own admission, MDY does not attempt to “lure away Blizzard’s customers.”  
4 (MDY Mem. at 20). Rather, MDY attempts to lure cheaters into WoW - be it to  
5 farm gold, level accounts to sell, or level characters without the required time  
6 investment - with the assurance that their efforts to exploit the game will go  
7 undetected, and their investment in Glider will be rewarded. (SOF ¶ 182, 246-47 ).  
8 Glider is a parasite on WoW, but it does not compete for the game’s market share.  
9 Likewise, no “social benefits” arise from Glider use. Most WoW players see their  
10 playing experience damaged by Glider use, as reflected by the thousands of  
11 complaints about Glider, and MDY’s admission that other players seek to have  
12 Glider users banned. In fact, as detailed in Blizzard’s motion, MDY’s own words  
13 and deeds through the course of its operation betray its ill motive.<sup>27</sup> Accordingly,  
14 Blizzard has provided substantial evidence attesting to MDY’s improper motive to  
15 negate the import of Donnelly’s self-serving affidavit.

### 16 **3. The interests of those interfered**

17 MDY contends that because Glider users voluntarily elect to use the program,  
18 *their* interests are not adversely impacted. However, this factor hardly turns on  
19 Blizzard’s ability to show that MDY coerced Glider users. In fact, the parties whose  
20 interests are relevant to this factor are Blizzard, whose contracts are being breached  
21 in a manner that prevents their enforcement, and the large population of WoW  
22 players who are parties to those contracts, whose contractual interest in having a  
23 game free of cheaters is undermined.

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26 <sup>26</sup> See Restatement (Second) of Torts § 768 (2007), comments on (1)(d) (if  
27 defendant's conduct is directed, at least in part, “to advance the actor's competitive  
interest and the supposed social benefits arising from it,” motivation by other  
impulses is not alone sufficient to render interference improper).

28 <sup>27</sup> (Blizzard Mem. at 16-17; and SOF ¶ 79, 192-97, 208-09, 238-242).

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**4. The interests sought to be advanced by MDY**

The interest MDY seeks to advance is its own; selling its cheat to boost MDY’s revenues while driving up Blizzard’s costs. (SOF ¶ 242). Nearly all interferors seek to advance their own interest, of course, but MDY advances no other interest. Moreover, MDY’s contention that it is “not trying to harm Blizzard” is patently absurd given the facts of record. MDY may *wish* that it could exploit Blizzard’s work in a manner that does Blizzard no harm, but its actions speak louder than words. By continuing to sell and support Glider when it is fully aware that hundreds of thousands of WoW players have protested its use, designing features and instructing users how to avoid detection and reporting by those players, and affirming its intent to drive up Blizzard’s costs of enforcement to an intolerable level, MDY is in fact trying very hard to harm Blizzard. (SOF ¶ 208, 237-43).

**5. The social interests in protecting the freedom of MDY and the contractual interests of Blizzard and its users**

MDY’s argument that social interests weigh in its favor rests entirely on the proposition, which it disavowed earlier in its brief, that MDY and Blizzard are fairly competing for the same business opportunities. That is clearly not the case here, and thus the authorities cited by MDY are inapposite.<sup>28</sup> In fact, the relevant social interests here favor Blizzard, because the pertinent “society” is the WoW gaming universe, and there is no question MDY is intentionally disrupting the bargained-for mores of that society. (SOF ¶ 226, 241-43).

**6. The proximity of MDY’s conduct to the interference**

MDY’s sale of Glider is clearly the but-for cause of the interference. MDY’s sole ground for contesting this factor is that MDY cannot be charged with wrongful

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<sup>28</sup> MDY contends that Blizzard’s allegation of unfair competition evidences a recognition that it and MDY are “competitors” in the sense that term is used in the context of the tortious interference cases it cites. (MDY Mem. at 22). On the contrary, Blizzard’s unfair competition claim, like its Lanham Act claim, was premised on MDY’s misleading use of Blizzard trademarks in promoting Glider (a practice MDY agreed to cease). Hence, that claim has no bearing on this issue.

1 conduct until after Blizzard updated its TOU to explicitly include the word “bot.”  
2 (MDY Mem. at 22). This assertion is preposterous in light of MDY’s multiple  
3 admissions that it understood, from nearly the outset of its business, that Blizzard  
4 considered use of Glider a violation of its EULA and TOU. Specifically, MDY  
5 admitted that it understood long before the change in terms that Blizzard objected to  
6 unauthorized third party programs, that it never sought nor received authorization for  
7 Glider, and that it knew Blizzard objected to Glider use because it detected and  
8 banned Glider users in September 2005. (SOF ¶¶ 177, 183, 187). Long before the  
9 inception of this litigation, MDY’s own website FAQ informed Glider users that  
10 Blizzard considered Glider use a breach of the TOU. (SOF ¶ 182).

#### 11 **7. The relations of the parties**

12 Here again, MDY relies exclusively on the argument, rejected by the court in  
13 *Am. Airlines*, that MDY cannot interfere with Blizzard’s contracts when it seeks to  
14 have Blizzard perform those same contracts. MDY’s argument, of course, overlooks  
15 the fact that Blizzard *does not want to perform* in the case of Glider users, but has no  
16 choice where MDY is assisting Blizzard’s customers in concealing their breaches.

17 As demonstrated above, the evidence of record weighs in Blizzard’s favor on  
18 each of the seven Restatement factors under the relevant authority. Moreover, the  
19 *Am. Airlines* court acknowledged that the cases analyzing the seven factors in the  
20 typical business competitor scenario (like those cited by MDY) fail to address

21 “precisely the unusual circumstances . . . [where] the defendants do not  
22 want the plaintiff’s customers to breach their contracts under circumstances  
23 in which the plaintiff also refuses to perform [but] [r]ather, the defendants’  
24 business depends upon their ability to induce the plaintiff’s customers to  
breach their contractual obligations while the plaintiff continues to  
perform.” 769 F. Supp. At 1206.

25 Those unusual circumstances are again precisely at issue here. And, like in *Am.*  
26 *Airlines*, MDY has accomplished its goal by “develop[ing] an elaborate system of  
27 deception enlisting the aid of the plaintiff’s customers . . . it is difficult to see how the  
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1 defendants' interference in this case can be characterized as anything but  
2 improper."<sup>29</sup>

3 **B. MDY Intentionally Induced Breaches of Blizzard's Contracts.**

4 MDY's argument on this element rests solely on the premise that MDY  
5 should not be held accountable for sales of Glider prior to Blizzard's amendment of  
6 the TOU to include the specific word "bots". As demonstrated above, the record  
7 contains extensive evidence of MDY's knowledge that Glider violated the Blizzard  
8 EULA and TOU long before that amendment.<sup>30</sup> Moreover, MDY's argument has no  
9 bearing at this juncture, as Blizzard is seeking both damages and injunctive relief,  
10 and by MDY's own admission it had the requisite intent to interfere as of October  
11 2006.

12 **C. The Breaches of the EULA and TOU Harm Blizzard.**

13 Finally, MDY contends "Blizzard cannot present any evidence that MDY has  
14 caused damage." (MDY Mem. at 23). On the contrary, the record is replete with  
15 evidence, which MDY cannot dispute, that MDY's sale and ongoing support of  
16 Glider have caused Blizzard immense reputational and economic harm. The only  
17 portion of this evidence acknowledged by MDY in its motion is Blizzard's  
18 undisputed evidence that it has been forced to incur nearly one million dollars per  
19 year in direct costs of its enforcement efforts against bots and responses to user  
20 complaints about bots.<sup>31</sup> In the face of this evidence, MDY claims that Blizzard  
21 cannot show that Glider was a "substantial factor" in driving these costs, nor even  
22 "only a little" responsible for them. (MDY Mem. at 24). The record, however,  
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24 <sup>29</sup> *Id.* at 1206-07 (footnote omitted).

25 <sup>30</sup> *Wells Fargo Bank 201 Ariz. At 494*, ("[I]ntent is shown by proving that the  
26 interferor either intended or knew that '[a particular] result was substantially certain  
to be produced by its conduct'" )(alteration in original).

27 <sup>31</sup> These costs are identified and explained in detail in Blizzard's motion for  
28 summary judgment and supporting statement of facts. (*See* Blizzard Mem., at 21-22,  
SOF ¶ 198-224, 248-252, and corresponding exhibits).

1 contains ample evidence demonstrating that Glider is the preeminent WoW bot, and  
2 is not only a substantial factor, but the primary one, in driving Blizzard's  
3 enforcement costs. Moreover, MDY cannot simply ignore the additional evidence of  
4 record that Glider has caused, and continues to cause, both severe harm to Blizzard's  
5 reputation and direct loss of revenue to Blizzard.<sup>32</sup>

6 **1. Glider is a substantial factor in driving Blizzard's costs**  
7 **of bot enforcement and response to bot complaints**

8 The record is unequivocal that Glider is a substantial factor in driving  
9 Blizzard's bot enforcement and response costs. William Galey, the head of  
10 Blizzard's customer service group, testified at his deposition that WoW users  
11 specifically mention Glider as a cause of dissatisfaction when they contact Blizzard's  
12 customer service personnel, and that "[i]t has become commonplace and  
13 acknowledged amongst our players that, yes, they are aware of Glider specifically."  
14 (SOF ¶ 226.) Greg Ashe, the head of Blizzard's bot enforcement group, similarly  
15 testified at his deposition, that Glider is the longest-standing cheat, that Glider  
16 consumes more Blizzard resources than any other cheat, and that Blizzard has to  
17 divert resources from game development specifically to combat Glider. (SOF ¶ 221-  
18 23). Ashe further testified that Glider alone has significantly increased Blizzard's  
19 costs because each time Blizzard has implemented automatic detection of Glider,  
20 MDY has revised Glider to combat these measures, whereas other bots have not  
21 required a similar resource commitment given Blizzard's success at quickly blocking  
22 their use. (SOF ¶ 224). In the face of this evidence, MDY cannot seriously ascribe  
23 any reasonable portion of the nearly \$2.5 million in enforcement costs to bots other  
24 than Glider.<sup>33</sup>

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25 <sup>32</sup> Arizona law has recognized that harm, for purposes of tortious interference, may  
26 take a variety of forms including harm to reputation. *See Hy Cite Corp. v.*  
27 *badbusinessbureau.com, L.L.C.*, 418 F. Supp. 2d 1142, 1151 (D. Ariz. 2005).

28 <sup>33</sup> Indeed, MDY's rebuttal expert on damages set out to identify other bots that were  
being actively used in conjunction with WoW, and could identify only one, a bot  
called Innerspace. (SOF Supp. ¶ 268).

1                                   **2.     Glider is damaging Blizzard’s reputation with users**

2             In contending that MDY’s dissemination of Glider has not harmed Blizzard,  
3 MDY simply ignores the overwhelming evidence of harm to Blizzard’s reputation,  
4 evidenced most prominently by the several hundred thousand in-game user  
5 complaints about the destructive presence of bots in the game. Several thousand of  
6 those complaints specifically reference Glider by its brand name, reflecting Glider’s  
7 status as the most well-known bot in the WoW universe. (SOF ¶ 83, 204, 226).  
8 Blizzard detailed the evidence of harm to its reputation in its own motion for  
9 summary judgment, and refers the court to those papers for more detail. (Blizzard  
10 Mem. at 19-21 and supporting SOF Exs.).<sup>34</sup>

11                                   **3.     Loss of Revenue**

12             Finally, MDY likewise ignores Blizzard’s evidence that it has also suffered  
13 approximately \$10.5 million in lost subscription revenues resulting directly from  
14 Glider use. (SOF ¶ 260). The evidence establishing this loss of revenue is detailed  
15 in Blizzard’s own motion for summary judgment and supporting statement of facts.  
16 (See Blizzard Mem. at 21-23; SOF ¶ 255-260).

17                                   **VI.   MDY Has Not Carried its Burden on Unjust Enrichment**

18             Under Arizona law, there are five elements to an unjust enrichment claim, and  
19 Blizzard has pled and offered evidence in support of each: "(1) an enrichment; (2) an  
20 impoverishment; (3) a connection between the enrichment and the impoverishment;  
21 (4) absence of justification for the enrichment and the impoverishment and (5) an  
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24             <sup>34</sup> Blizzard’s economic expert, Dr. Edward Castronova, submitted a report projecting  
25 the long-term financial impact to Blizzard of this devaluing of its reputation, and,  
26 starting from a conservative estimate that a one percent increase in a cheating  
27 behavior such as botting results in a .05% decrease in demand for the game,  
28 concluded that Blizzard bears a loss of profit of \$900,000 per 100,000 users, per  
year, or over \$18 million per year from customer dissatisfaction alone. (SOF ¶ 263-  
64). Although MDY’s rebuttal expert questioned this model in his report, the  
substitute numbers he offered still calculated a loss of \$5 million per year, still  
evidencing significant harm. (SOF Supp. 288).

1 absence of a remedy provided by law."<sup>35</sup> Here, MDY has been enriched by millions  
2 of dollars in Glider sales that enable users to violate the WoW contracts, while  
3 Blizzard has been impoverished both through reputational harm and the costs  
4 associated with combating Glider use. (SOF ¶ 231-33, 248-64). MDY's ill-gotten  
5 gains and Blizzard's losses are directly connected, because as MDY acknowledges,  
6 its product could not exist but for WoW.<sup>36</sup> MDY offers no justification for its  
7 activities beyond the pursuit of a financial opportunity at Blizzard and WoW player's  
8 expense. Finally, although Blizzard has pursued other causes of action for MDY's  
9 unfair business activities, the court has yet to determine whether an alternate remedy  
10 is available at law. Against this evidence, MDY's unsupported assertion that "the  
11 defendants cannot establish all of the elements" is insufficient to warrant entry of  
12 summary judgment.

### 13 **VII. Conclusion**

14 As demonstrated herein, Blizzard has submitted ample evidence not only  
15 sufficient to defeat MDY's motion for summary judgment, but to support entry of  
16 summary judgment in favor of Blizzard on its copyright, DMCA and tort claims.

17 Dated: April 23, 2008

Respectfully submitted,

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27 <sup>35</sup> *Cnty. Guardian Bank v. Hamlin*, 182, Ariz. 627, 631(Ariz. Ct. App. 1995).

28 <sup>36</sup> See Restatement (First) of Restitution § 1, cmt. e (2007) (benefit received need not be balanced by an exact corresponding loss).

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**CERTIFICATE OF SERVICE**

I hereby certify that on April 23, 2008, I electronically transmitted the attached document to the Clerk’s Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to the following CM/ECF registrants:

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