UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

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SIGHTLINE PAYMENTS, LLC, a Nevada Company,

Plaintiff,

vs.

GLOBAL CASH ACCESS HOLDINGS, INC., a Corporation, and GLOBAL CASH ACCESS, INC., a Delaware Corporation,

Defendants.

2:10-CV-00397-PMP-PAL

ORDER

Presently before the Court is Defendants Global Cash Access Holdings, Inc., and Global Cash Access, Inc., (collectively "GCA") Motion to Dismiss Plaintiff's Complaint (Doc. #9), filed on April 13, 2010. Plaintiff Sightline Payments, LLC, ("Sightline") filed an Opposition (Doc. #11) on April 28, 2010. GCA filed a Reply (Doc. #14) on May 10, 2010. Also before the Court is Sightline's Motion to Supplement Complaint (Doc. #16) and GCA's Motion to Seal Complaint (Doc. #17). The Court conducted a hearing regarding the foregoing motions on June 24, 2010.

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I. BACKGROUND

Sightline is a Nevada Company entering the business of providing cash access products and related services to the gaming industry in the Untied States, including the State of Nevada. GCA is currently the leading provider of cash access products and related services to the gaming industry in the Untied States, Canada and the Carribean. GCA's products and services enable gaming establishment patrons to access cash through a variety of methods. Additionally, GCA provides products and services and decision making regarding credit, cashier operations and patron marketing activities for more than 1,100 gaming establishments worldwide. Sightline alleges that GCA has acquired a monopoly of providing cash access products, casino patron credit reporting, and cashless gaming and redemption machines to gaming establishments, at least in gaming markets in the State of Nevada. Sightline specifically alleges that through a series of acquisitions, restrictive agreements, patent abuse, and disparagement, GCA has effectively prevented Sightline from competing in the gaming market in the State of Nevada. As a result, Sightline brings claims for damages and injunctive relief against GCA for violation of Section 1of the Sherman Act, 15 U.S.C.A., Section 1 (First Claim for Relief), Section 2 of the Sherman Act, 15 U.S.C.A., Section 2 (Second Claim for Relief) and Section 7 of the Clayton Act, 15 U.S.C.A., Section 18 (Third Claim for Relief)

GCA moves to dismiss Sightline's Complaint on the ground that Sightline has failed to establish it has suffered antitrust damages, has not alleged a relevant market, nor any contracts, combinations or conspiracies in restraint of trade to support a claim in violation of § 1 of the Sherman Act, and further has failed to allege that GCA maintained an illegal monopoly in violation of § 2of the Sherman Act.

II. DISCUSSION

An antitrust Plaintiff "must allege more than that the Defendants wrongful behavior directly damaged its business - - it must also allege that the accused behavior stifled competition." Brown Shoe Co. V. United States, 370 U.S. 294, 344 (1962). Because Sightline's conclusionary allegations are not supported by sufficient facts establishing a plausible entitlement to relief, the Court will grant GCA's motion to dismiss.

A. Acquisitions

Sightline alleges that by controlling up to 90% of the market after acquiring two other providers of cash access products and services to the gaming industry, GCA has acquired an illegal monopoly. GCA responds that even assuming it controls a 90% of the market share, Sightline fails to allege that GCA charges monopoly prices or that GCA has done anything more than lawfully grow its business. The Court finds merely alleging that GCA has acquired a 90% market share, without more, is insufficient to support Sightline's claims.

B. Patent Infringement

Sightline alleges GCA purchased U.S. Patent Number 6,081,792 to further restrict competition from offering certain services on ATM machines specific to the gaming industry. Sightline has not, however, alleged increased prices or exclusion of competitors, nor does it allege any barrier to entry that has blocked Sightline or other entities from competing with GCA. Additionally, Sightline has not alleged facts suggesting that GCA prosecuted any patent infringement suit in bad faith. Sightline's allegations are insufficient to support it's antitrust claims.

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C. Exclusionary Agreements

An agreement between a manufacturer and a distributor to establish an exclusive distributorship does not, standing alone, violate antitrust law unless the Agreement is intended to, or actually does harm competition in the relevant market. Rutman Wine Co. V. E.&J. Gallo Winery, 829 F.2d 729, 735 (9th Cir. 1987). The Court finds Sightline's allegations that GCA has made agreements of between 18 and 24 months in duration for exclusive rights to provide cash access products and related services at particular gaming establishments is insufficient to support Sightline's antitrust claims.

D. Disparagement

Sightline alleges that GCA disparaged it by agreeing to dissociate itself from Kirk Sanford pursuant to a "Settlement Agreement and Release" with the State of Arizona as part of GCA's renewal of its gaming certificate in that state. Sightline alleges that GCA voluntarily agreed to dissociate itself from Stanford to tarnish Stanford's reputation and character, and to restrict Sightline's ability to seek the necessary gaming certificates or licenses in the gaming industry to enable it to compete against GCA.

False or misleading statements directed at a single competitor must have a "significant and enduring adverse impact competition itself in the relevant markets to rise to the level of antitrust violation." American Professional Testing Service, Inc., v. Harcourt Brace Jovanovich Legal and Publication Inc., 108 F.3d 1147, 1152, (9th Cir. 1997). To prove that disparagement rises to the level of antitrust violation a Plaintiff must show those disparaging representations are clearly false. id. Sightline makes no such allegation in its Complaint.

In sum, neither the allegations set forth in Plaintiff's Complaint, nor the arguments set forth in Sightline's Motion to Supplement Complaint (Doc. #16) are sufficient to establish a plausible entitlement to relief.

IT IS THEREFORE ORDERED that Defendant GCA's Motion to Dismiss (Doc. #9) is **GRANTED**.

IT IS FURTHER ORDERED that Plaintiff Sightline's Motion to Supplement Complaint (Doc. #16) is **DENIED**.

IT IS FURTHER ORDERED that Defendant GCA's Motion to seal Complaint (Doc. #17) is **DENIED**.

DATED: August 9, 2010.

PHILIP M. PRO
United States District Judge