1 THE HONORABLE THOMAS S. ZILLY 2 3 4 5 6 7 UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON 8 9 HARMONY GOLD U.S.A., INC., CASE NO. 2:17-CV-00327-TSZ 10 Plaintiff, AMENDED COMPLAINT 11 v. 12 HAREBRAINED SCHEMES LLC, HAREBRAINED HOLDINGS, INC. 13 JORDAN WEISMAN, PIRANHA GAMES INC., INMEDIARES PRODUCTIONS, LLC, 14 and DOES 1-10, 15 Defendants. 16 Plaintiff Harmony Gold U.S.A., Inc. ("Harmony Gold") alleges as follows: 17 **PARTIES** 18 1. Plaintiff Harmony Gold U.S.A., Inc., is a California corporation with its principal 19 place of business in Los Angeles, California. 20 2. Defendant Harebrained Schemes LLC is a limited liability company formed under 21 the laws of the State of Washington with its principal place of business in Kirkland, Washington. 22 3. Defendant Harebrained Holdings, Inc., is a corporation formed under the laws of 23 the State of Washington with its principal place of business in Bellevue, Washington. On 24 information and belief, Harebrained Holdings, Inc., does business under the name Harebrained 25

Schemes. (Harebrained Schemes LLC and Harebrained Holdings, Inc., are referred to collectively as "Harebrained Schemes").

- 4. Defendant Jordan Weisman ("Weisman") is an individual who, on information and belief, resides in Bellevue, Washington. On further information and belief, Weisman is the CEO and registered agent for Harebrained Schemes LLC, and is a governor of Harebrained Holdings, Inc. Weisman is the moving, active and conscious force behind Harebrained Schemes; has directed and controlled the activities of Harebrained Schemes complained of herein; has participated in, assisted in and/or is responsible for the conduct alleged herein; and entered into the Settlement Agreement with Harmony Gold at issue in the breach-of-contract claim set forth in this Complaint.
- 5. Defendant Piranha Games Inc. ("Piranha Games") is a corporation created under the laws of British Columbia, Canada, with its principal place of business in Vancouver, British Columbia, Canada.
- 6. Defendant InMediaRes Productions, LLC, is a limited liability company formed under the laws of the State of Washington, with its principal place of business in Lake Stevens, Washington. On information and belief, InMediaRes Productions, LLC, operates the imprint game production company Catalyst Game Labs, and hereinafter is referred to as "Catalyst Game Labs".
- 7. On information and belief, Does 1–10 (collectively, the "Doe Defendants") are individuals and business entities who have participated or assisted in the conduct alleged herein or are otherwise responsible therefor. The identities of these Doe Defendants presently are not and cannot be known to Harmony Gold, but these persons and/or entities will be added as named defendants to this action as and when they are identified (collectively, Harebrained Schemes LLC, Harebrained Holdings, Inc., Weisman, Piranha Games, Catalyst Game Labs and the Doe Defendants are referred to herein as "Defendants").

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### **JURISDICTION AND VENUE**

- 8. This Court has jurisdiction because (i) this action arises under the Copyright Act, 17 U.S.C. § 101 *et seq.*, and jurisdiction is specifically conferred by 28 U.S.C. §§ 1331 and 1338(a); and (ii) this is an action between citizens of different states in which the value of the amount in controversy exceeds seventy-five thousand dollars (\$75,000.00), exclusive of interest and costs, jurisdiction being conferred in accordance with 28 U.S.C. § 1332. Jurisdiction for the Washington State common law claim is conferred in accordance with the principles of supplemental jurisdiction pursuant to 28 U.S.C. § 1367(a).
- 9. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1) in that Defendants Harebrained Schemes LLC, Harebrained Holdings, Inc., Weisman and Catalyst Game Labs reside in this judicial district. Venue is proper under 28 U.S.C. § 1391(c)(3) in that Defendant Piranha Games is a foreign resident based in Vancouver, British Columbia, Canada, and on information and belief there is no other judicial district in which venue would be more appropriate. Venue is also proper under 28 U.S.C. § 1391(b)(2) as a substantial part of the events or omissions giving rise to the claims herein occurred in this judicial district.

### **FACTS**

## Harmony Gold and the History of "Robotech"

- 10. This case involves animated giant warrior robots. In about 1980, Japan-based Tatsunoko Production Company, Ltd. ("Tatsunoko"), created a series of original warrior robots and incorporated them into an animated television series in Japan named "Macross." Tatsunoko was the exclusive owner and producer of the Macross television series in Japan.
- 11. In the 1980s, Tatsunoko produced two additional animated television series in Japan that incorporated its futuristic warrior robots "Mospeada" and "The Southern Cross"—for which it was also the exclusive owner in Japan.

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	12.	In 1984, Tatsunoko granted entertainment production company Harmony Gold an			
exclu	sive lice	nse to adapt the Macross, Mospeada and The Southern Cross series for a television			
series in the United States, which Harmony Gold named "Robotech." In 1985, the first of 85					
episo	des of the	e Harmony Gold-produced Robotech animated series aired in the United States.			
(Hereinafter, all of Harmony Gold's Macross, Mospeada, The Southern Cross and Robotech					
shows	s, charac	ters, products and derivative works are referred to as "Robotech.")			

- 13. Tatsunoko also granted Harmony Gold an exclusive license to market in the United States products incorporating Robotech warrior robots, such as books, toys, video games, films, comic books and apparel. Harmony Gold possesses this exclusive license to this day.
- 14. Harmony Gold and Tatsunoko are owners of a large portfolio of United States Copyright Registrations for animated programs, books, comic books and other materials incorporating images of the Robotech warrior robots, including the following:
  - "Macross: Booby Trap" (PA 252,486); February 7, 1985 registration date
  - "Mospeada" (PAu 740,321); March 28, 1985 registration date
  - "Southern Cross" (PAu 740,322); March 28, 1985 registration date
  - "Macross" (PAu 740,323); March 28, 1985 registration date
  - "Robotech" (PA 260,432); August 22, 1985 registration date
  - "Robotech II: The Sentinels" (PA 370,656); August 11, 1987 registration date
  - "Robotech II: The Sentinels; Episodes 1, 2 and 3" (PAu 1,117,191); August 11, 1987 registration date
- "Robotech 3000" (PAu 2,415,945); May 26, 1999 registration date

  The certificates for these registrations are attached as Exhibit A.
- 15. The warrior robots depicted in the Robotech copyright registrations owned by Harmony Gold include, but are not limited to, the following:

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14	Destroid 1
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Robotech Warrior Robot Name	Robotech Warrior Robot Image
Armored Valkyrie	
Destroid Defender	

AMENDED COMPLAINT (NO. 2:17-CV-00327-TSZ) - 6

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1 2 3 4 5 6 7 8		Officer's Pod (Glaug)	
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10		Super Valkyrie	
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AMENDED COMPLAINT (NO. 2:17-CV-00327-TSZ) - 7

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SEATTLE, WASHINGTON 98101
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Valkyrie VF-1S

16. Harmony Gold has the exclusive right to make copies of, distribute, publicly perform, display and make derivative works of the Robotech warrior robots in the United States.

# Harmony Gold's Prior Litigation Against Weisman

- 17. In 1995, Harmony Gold filed a copyright infringement and unfair competition complaint against FASA Corporation, which was owned by Weisman, and Virtual World Entertainment for infringement of the Robotech copyrights by the warrior robot designs in the defendants' "BattleTech" virtual reality computer games, role playing games, merchandise and a planned animated television series and toy line.
- Agreement and Mutual General Release" (the "Settlement Agreement"), which had an effective date of December 19, 1996, and to which Weisman was a signatory. In addition to agreeing to a monetary payment, Weisman and his co-defendants agreed that they would not "make any use, and will not authorize [their] licensees to make any use, of the visual design images of the twelve (12) Battlemechs listed below except as provided in this agreement." These 12 "Battlemechs" include those detailed below in Paragraph 28, which presents side-by-side comparisons of Harebrained Schemes' and Weisman's current warrior robot designs and the corresponding Harmony Gold Robotech designs. Weisman also agreed to the entry of a permanent injunction

and acknowledged that violating the use restriction would cause Harmony Gold "irreparable harm." Further, Weisman agreed that he would not "contest, nor [would he] assist any other person or entity in contesting, Harmony Gold's exclusive ownership worldwide, excluding Japan," of the Robotech merchandising rights. This Settlement Agreement is confidential, and therefore has not been attached to this Complaint.

## Current Unauthorized Copying by Defendant Piranha Games

- 19. Defendant video game production company Piranha Games developed and distributes an online game named "MechWarrior Online" incorporating warrior robots, which it calls "A BattleTech Game." In May 2013, Piranha Games submitted a proposed design to Harmony Gold for an animated warrior robot for use in MechWarrior Online to get an opinion from Harmony Gold if this new design infringed Harmony Gold's Robotech copyrights. Harmony Gold determined that Piranha Games' design was derivative of its copyrighted Destroid Tomahawk warrior robot, and Harmony Gold's outside counsel sent an e-mail to Piranha Games' founder and president Russ Bullock informing him of that decision. On information and belief, Piranha Games never used this proposed 2013 design.
- 20. Later in May 2013, Mr. Bullock sent another proposed design for a MechWarrior Online warrior robot to Harmony Gold's counsel. Harmony Gold determined that Piranha Games' new design was derivative of Harmony Gold's copyrighted Zentradei OBP warrior robot, and therefore infringed Harmony Gold's registered copyrights. Harmony Gold's counsel again informed Mr. Bullock of that determination via e-mail. On information and belief, Piranha Games never used this other proposed 2013 design.
- 21. In July 2016, Harmony Gold discovered infringing images that were derivative works of its Destroid Tomahawk warrior robot featured on the website of Catalyst Game Labs, a purveyor of board games. A blog post from Catalyst Game Labs reads, "It's been an absolute blast working withy [sic] Matt Newman, Russ Bullock (and of course their whole great team) generating these lore vignettes." The following image of the infringing robot warriors appeared on the blog post by Catalyst Game Labs:

- 22. Harmony Gold's counsel immediately e-mailed Mr. Bullock regarding this infringement, and in his response Mr. Bullock admitted that Piranha Games had developed these warrior robot designs, and that Catalyst Game Labs created fan fiction around these designs. He also wrote: "At Piranha we make no claim to any use or legal right to the Robotech Macross designs that are owned by Harmony Gold."
- 23. Despite Mr. Bullock's admission that Piranha Games does not have the right to use Harmony Gold's copyrighted Robotech designs, Piranha Games is doing exactly that without Harmony Gold's permission. Piranha Games operates a website for its MechWarrior Online game at <u>www.mwomercs.com</u>. On this site, Piranha Games displays the following images of robot warriors that infringe Harmony Gold's copyrights and that appear to be used in the MechWarrior Online game:

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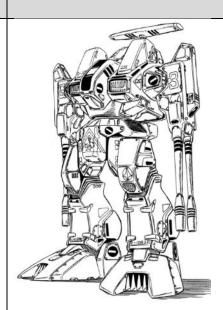
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# Piranha Games' Infringing Image (Rifleman)

# Harmony Gold's Copyrighted Image



(Destroid Defender)

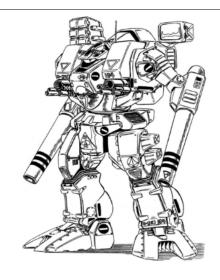




(Destroid Spartan)



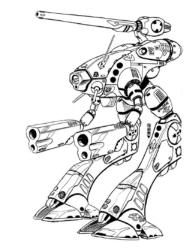




(Destroid Tomahawk)



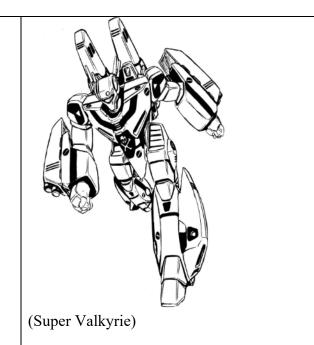
(Marauder/Marauder IIC)



(Officer's Pod/Glaug)

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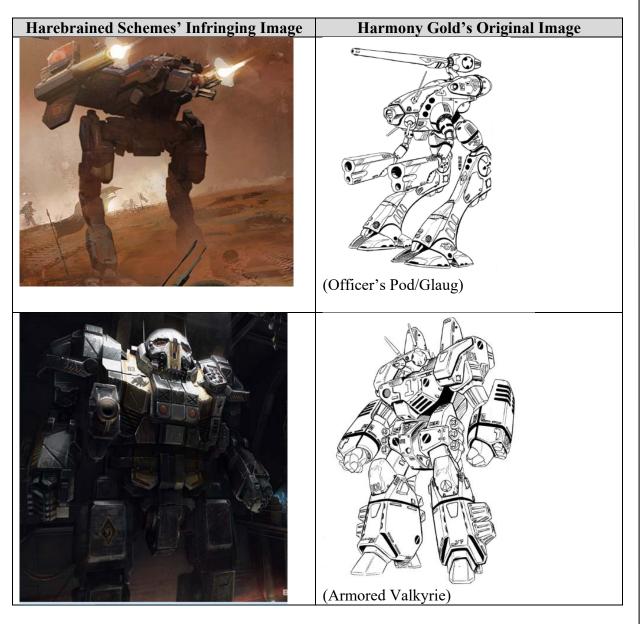


24. On October 3, 2016, Harmony Gold's counsel sent a letter to Mr. Bullock and Weisman (as MechWarrior Online is branded as "A BattleTech Game"), demanding that this infringement stop, and demanding that Mr. Bullock and Weisman disclose the relationship between Piranha Games and Harebrained Schemes for the creation of MechWarrior Online. Piranha Games retained U.S. counsel and denied that the robot warriors in MechWarrior Online infringe Harmony Gold's copyrights.

- 25. To this date, Piranha Games' infringement continues. Current Unauthorized Copying by Defendants Harebrained Schemes and Weisman
- 26. Defendant video game production studio Harebrained Schemes is in the process of developing a new PC video game named "BattleTech." The BattleTech website at www.battletechgame.com reads, "Jordan Weisman, the creator of BattleTech and MechWarrior, is back with the first turn-based BattleTech game for PC in over two decades. BATTLETECH will feature modern turn-based combat, PVP multiplayer, and a story-driven, Mercenaries-style campaign set in the 3025 era of the BattleTech universe."

27. Harebrained Schemes held two crowdfunding campaigns for its BattleTech game. As of April 28, 2017, its Kickstarter campaign had raised \$2,785,537.13 from 41,733 backers, and its BackerKit campaign had raised \$433,058.95 from 49,404 backers.

28. On its websites at <a href="www.harebrained-schemes.com">www.battletechgame.com</a>, Harebrained Schemes displays the following images of robot warriors that infringe Harmony Gold's copyrights. On information and belief, these are depictions of the warrior robots that will be featured in the upcoming BattleTech video game:



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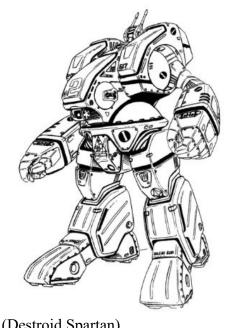
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(Destroid Spartan)

29. Joe DiNunzio, Chief Financial Officer for Harebrained Holdings, Inc., responded on November 7, 2016, to the October 3, 2016, letter from Harmony Gold's counsel described above in Paragraph 24. In that letter, he claimed that, "Our use of these designs and images is solely through licenses we have obtained from Piranha Games. Our relationship with Piranha Games is solely as a licensee of certain intellectual property."

30. Subsequently, on November 18, 2016, counsel for Weisman and Harebrained Schemes responded to the October 3 letter from Harmony Gold's counsel as follows:

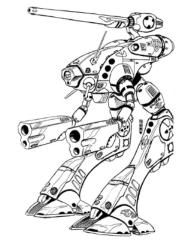
HBS entered into a license agreement with Piranha Games to license certain content for use in a HBS game. We have certain confidentiality obligations with respect to the license agreement so we cannot comment as to specific details. However, we can say that the license agreement makes general commitments about Piranha's rights in the licensed materials provided to HBS, but that the parties did not specifically address the ownership of the 2016 designs.

31. To this date, Harebrained Schemes' and Weisman's infringement continues.

## Current Unauthorized Copying by Defendant Catalyst Game Labs

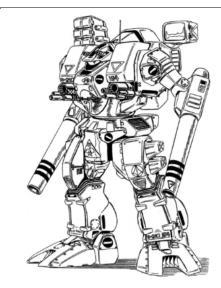
- 32. Catalyst Game Labs produces a board game and roleplaying game named "BattleTech."
- 33. For its BattleTech game, Catalyst Game Labs develops, releases, distributes and sells sourcebooks to create new playing scenarios for players of the game. In 2016, Catalyst Game Labs released a BattleTech sourcebook named "Combat Manual: Mercenaries." This sourcebook contains numerous images of robot warriors that infringe Harmony Gold's copyrights, including the following:

# Catalyst Game Labs' Infringing Image in Combat Manual: Mercenaries BATTLETECH COMPAT MANUAL DESTROY DESTROY DESTROY (Destroid Tomahawk)



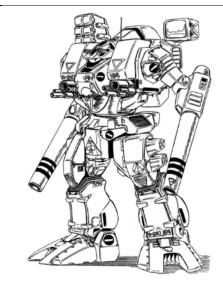
(Officer's Pod/Glaug)





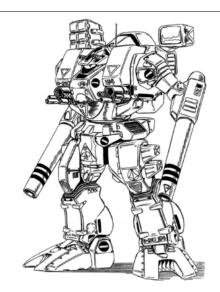
(Destroid Tomahawk)



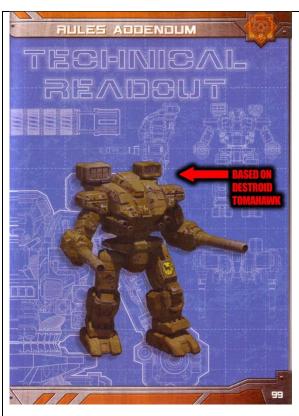


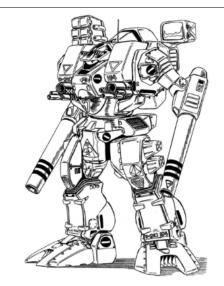
(Destroid Tomahawk)





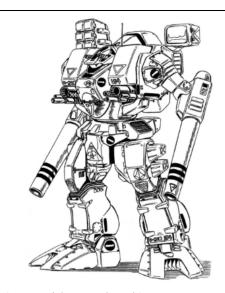
(Destroid Tomahawk)





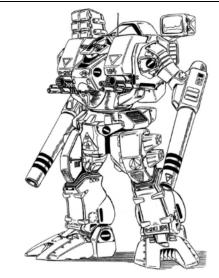
(Destroid Tomahawk)





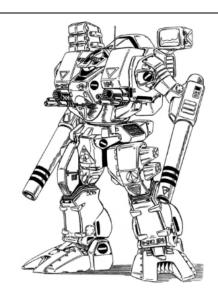
(Destroid Tomahawk)





(Destroid Tomahawk)





(Destroid Tomahawk)

34. Catalyst Game Labs also develops, releases, distributes and sells new rule books for its BattleTech game. In 2016, it released a new rule book named "BattleTech: Campaign Operations." This rule book contains several images of robot warriors that infringe Harmony Gold's copyrights, including the following:



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# COUNT I COPYRIGHT INFRINGEMENT — ALL DEFENDANTS

CAMPAIGN

BACKGROUND

- 35. Harmony Gold repeats and realleges the allegations contained in Paragraphs 1 through 34 as if fully set forth herein.
- 36. Harmony Gold owns the copyrights to numerous Robotech warrior robots, including those identified above.
- 37. Defendants have infringed Harmony Gold's copyrights to these warrior robots through their unauthorized copying, distribution and display of warrior robots that are substantially similar to those owned by Harmony Gold, and that are derivative of the copyrighted Robotech warrior robots owned by Harmony Gold.
- 38. Defendants had access to Harmony Gold's copyrighted Robotech images prior to Defendants' unauthorized and infringing uses of the images.

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- 39. Defendants' actions have irreparably damaged and, unless enjoined, will continue to irreparably damage Harmony Gold. Harmony Gold has no adequate remedy at law for these wrongs and injuries. Harmony Gold is, therefore, entitled to a preliminary and permanent injunction restraining and enjoining Defendants and their agents, servants, employees, attorneys and all persons acting in concert with them from infringing Harmony Gold's copyrights.
  - 40. Defendants have infringed Harmony Gold's copyrights willfully.
- 41. Harmony Gold is entitled to recover damages sustained from Defendants' unlawful conduct, including Defendants' profits; Harmony Gold's damages; or, alternatively, at Harmony Gold's election, statutory damages.

# COUNT II (BREACH OF CONTRACT AGAINST WEISMAN AND HAREBRAINED SCHEMES)

- 42. Harmony Gold repeats and realleges the allegations contained in Paragraphs 1 through 34 as if fully set forth herein.
- 43. Harmony Gold and Weisman entered into a contract (*i.e.*, the Settlement Agreement) in December 1996, which is still valid and in effect today. The Settlement Agreement prohibits Weisman from using colorable imitations of certain Robotech warrior robots owned by Harmony Gold, including making derivative works of these warrior robots.
- 44. As shown in Paragraphs 26–31 above, Weisman, through and with Harebrained Schemes, has created and announced plans to copy, display and distribute warrior robots that are unauthorized derivative works of Harmony Gold's Robotech warrior robots which Weisman agreed in the Settlement Agreement not to use. Therefore, under the law of the State of Washington, Weisman and Harebrained Schemes have breached the Settlement Agreement.
- 45. As a result of this breach of the Settlement Agreement through Weisman's own actions and those of his company Harebrained Schemes, Harmony Gold has suffered and is suffering monetary damages in an amount to be determined at trial.

### PRAYER FOR RELIEF

WHEREFORE, Harmony Gold prays that the Court:

- 1. Preliminarily and permanently enjoin Defendants, their agents, servants, employees, attorneys and all those acting in concert with them from infringing Harmony Gold's copyrights;
- 2. Award Harmony Gold its damages or Defendants' profits, or alternatively, at Harmony Gold's election, statutory damages, as a result of Defendants' infringement of Harmony Gold's copyrights;
- 3. Award Harmony Gold its monetary damages it has incurred on account of Harebrained Schemes' and Weisman's breach of the Settlement Agreement;
- 4. Issue an order requiring Harebrained Schemes and Weisman, their agents, servants, employees, attorneys and all those acting in concert with them to abide by the Settlement Agreement;
  - 5. Award Harmony Gold its costs and reasonable attorney's fees in this action; and
- 6. Award Harmony Gold such other and further relief as the Court deems just and proper.

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1 DATED: May 1, 2017 CALFO EAKES & OSTROVSKY PLLC 2 By s/Andrew R.W. Hughes Damon C. Elder, WSBA #46754 3 Andrew R.W. Hughes, WSBA #49515 4 1301 Second Avenue, Suite 2800 Seattle, WA 98101-3808 5 Phone: (206) 407-2200 Fax: (206) 407-2224 6 Email: damone@calfoeakes.com andrewh@calfoeakes.com 7 8 Brett A. August (admitted *pro hac vice*) baa@pattishall.com 9 Jason Koransky (admitted *pro hac vice*) 10 jmk@pattishall.com Pattishall, McAuliffe, Newbury, Hilliard & 11 Geraldson LLP 200 South Wacker Drive, Suite 2900 12 Chicago, Illinois 60606 Telephone: (312) 554-8000 13 Facsimile: (312) 554-8015 14 Attorneys for Plaintiff Harmony Gold U.S.A., Inc. 15 16 17 18 19 20 21 22 23 24 25

**CERTIFICATE OF SERVICE** The undersigned hereby certifies that on May 1, 2017, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the CM/ECF participants. DATED this 1st day of May, 2017. s/ Mary J. Klemz Mary J. Klemz