1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 WESTERN DISTRICT OF WASHINGTON AT SEATTLE 9 10 BUNGIE, INC., a Delaware corporation, No. 2:21-cv-01114 11 Plaintiff, **DECLARATION OF JAMES** 12 BARKER IN SUPPORT OF PLAINTIFF'S MOTION FOR v. 13 DEFAULT JUDGMENT AGAINST MIHAI CLAUDIU-FLORENTIN, an **DEFENDANT MIHAI CLAUDIU-**14 individual, d/b/a VETERANCHEATS.COM; FLORENTIN d/b/a VETERAN DOE 1 a/k/a BLAZE, an individual; DOE 2, **CHEATS.COM** 15 a/k/a KNORR, an individual; DOE 3 a/k/a JOHN MCBERG, an individual, and DOES 16 4-10. 17 Defendants. 18 19 I, James Barker, declare: 20 1. I am the Deputy General Counsel of Bungie, Inc. ("Bungie") and a 21 frequent player of Bungie's Destiny 2 game with more than 1,700 hours logged in the 22 game. I have supervised Bungie's strategic litigation against anticheat circumvention 23 products ("Cheat Software") since 2020, have attended every deposition, interview, and 24 proceeding conducted by Bungie against traffickers in circumvention technology, and 25 have become familiar with Bungie's game security measures, the features common to 26 DECLARATION OF JAMES BARKER IN SUPPORT Kilpatrick Townsend & Stockton, LLP

circumvention products, and the features at issue in the present litigation. I submit this declaration in support of Plaintiff's Motion for Default Judgment against Defendant Mihai Claudiu-Florentin ("Defendant" or "Mr. Claudiu-Florentin") d/b/a VeteranCheats.com. I am over the age of eighteen, and the facts stated herein are true based on my personal knowledge and my review of corporate documents and information, and I could and would testify competently thereto if called upon to do so.

- 2. Bungie is the developer and publisher of the critically-acclaimed and successful video game *Destiny 2*, a first-person, shared-world, massively-multiplayer online ("MMO") game played by more than 30 million people around the globe. *Destiny 2* users play the game together from wherever in the world they are located, interacting with each other and the environment and impacting each other's gameplay with their own actions. This interaction takes place in a wide range of game activities, including both Player v. Player ("PvP") modes and Player v. Environment ("PvE") modes. Players interact with each other in both game modes, working cooperatively in PvE modes to complete various missions, and both cooperatively and competitively in PvP modes. These interactions between players are a critical component of *Destiny 2*.
- 3. Bungie is the sole owner of all rights, title and interest in *Destiny 2* and its expansions. Bungie has secured several registrations of its claims of copyright in *Destiny 2*, including separate registrations covering the software and audiovisual components of *Destiny 2* and its major expansions. Annexed hereto as composite **Exhibit 1** are copies of the registration certificates for *Destiny 2* and *Destiny 2*: Beyond Light, in each case as both a literary work (software) and an audiovisual work.
- 4. As Deputy General Counsel, I am familiar with Bungie's business model and initiatives. I also am familiar with the *Destiny 2* software at a high level, including its "anti-cheat" measures.

- 5. Destiny 2 can be characterized as a world simulation that takes place across many computers. Like most MMO games, Destiny 2 consists of many elements, some of which are contained on our servers, and some of which are part of our client software. The client software, which is made available to players for the sole purpose of playing Destiny 2, resides on the player's computer. Its function is to connect the player's computer to the Destiny 2 servers and to other players' computers to allow players to play the Destiny 2 video game together. The client software loads into memory and stores important data including, but not limited to, the character's position and facing, health and shields, and ammunition. These values are communicated to the Destiny 2 servers, and these values change based on the data sent back from the servers.
- 6. High-value game data like those described above are protected from exposure or manipulation using obfuscation and encryption. For example, information about player positioning and facing is obfuscated in memory so that it can only be accessed by the *Destiny 2* process during gameplay; and information sent to and from users' computers to Bungie's servers is encrypted. The *Destiny 2* process is classified as "authorized access only" to protect the game from cheating. Numerous technological protections are embedded in the "game client"—the software that translates the player's inputs into messages sent to the servers for processing. During normal operation, those protections prevent access to game data and prevent injection or attachment of foreign processes into *Destiny 2*. In addition, specific categories of game data are protected because of their relevance to those who would abuse access to cheat.
- 7. These protections are critical because *Destiny 2* is a "free-to-play" game; Bungie does not sell the base game, which users can freely download on their personal computers, PlayStation consoles, and other game systems, and players may play the base game for free indefinitely. Being "free to play" also means that developers of circumvention software face only Bungie's technological and legal hurdles to accessing

the base game (as opposed to financial hurdles), which they must do to reverse engineer *Destiny 2*.

- 8. As a free-to-play game, *Destiny 2* enjoys a broader on-ramp for new players, but is more vulnerable to attacks on the game's integrity. Bungie's income stream from *Destiny 2* relies heavily on long-tail customer satisfaction in the form of sales of expansions and packs of content (which add story missions and campaigns, new weapons and items, and a wide variety of cosmetic and aesthetic enhancements that players can obtain), season passes, and the premium currency "silver" which can be redeemed for cosmetic content (such as 'emotes' and ornamental design options that do not affect gameplay). Players can choose to purchase these items if they enjoy their experience. We go to great efforts to provide players with the best experience we can, both because we only earn money when our players are happy, and also because we want to produce a great game. The more fun the game is to play, the more likely it is that a player will enjoy the game enough to invest in additional content. Like many Bungie employees, I am a *Destiny 2* player because I enjoy playing the game.
- 9. As part of our efforts to make the game fun to play, we frequently release new narrative content, expanding the story of the game and the universe in which the game is set. We invest substantial resources in developing this new content, some of which becomes part of the free-to-play game, and some of which becomes part of paid expansions. Since its launch in 2017, *Destiny 2* has had a number of major paid expansions including *Destiny 2*: Forsaken, *Destiny 2*: Shadowkeep, and *Destiny 2*: Beyond Light. The latest expansion, *Destiny 2*: The Witch Queen, was released on February 22, 2022; the next, *Destiny 2*: Lightfall, it set to release on February 28, 2023. Bungie also releases new "seasonal" content, to which users can purchase access, several times per year.

- 10. Our efforts to provide a game that our players enjoy are not limited to developing the new narrative content that is found in our expansions and seasons. For many of our players, PvP gameplay is a critical part of their experience. We also invest considerable resources in developing these aspects of the game. One of the reasons that PvP is important to many players is because it provides opportunities for them to build up their characters and to earn accolades for competitive achievement. For example, success in competitive PvP gameplay is the only avenue to obtain specific cosmetics and in-game "loot," such as weapons or armor, that "drop" as rewards for PvP play.
- 11. As part of our overall *Destiny 2* business model, we offer players various rewards and items of value if they reach certain accomplishments during their participation in *Destiny 2* gameplay. For example, players who achieve uncommon success in the endgame PvP mode "Trials of Osiris" can earn the coveted title "Flawless," which they can display with their character's name so that other players in the game see that they reached this in-game milestone. Certain in-game milestones also allow players the ability to acquire exclusive merchandise, such as our "raid jackets," which may be purchased only by players who complete our highest-level PvE endgame content ("raids") within a designated period of time after the raid is released. By unfairly taking these unearned awards for themselves, cheaters can prevent honest players from receiving them, no matter how skilled those honest players might be. Even a small number of cheater users have a disproportionately large, negative impact on honest players. The aspirational endgame PvP content concentrates players with the highest apparent skill, whether that skill is earned through practice or bought and applied in the form of cheat software in violation of *Destiny 2*'s license agreement. Users of cheat software attack not just the integrity of the game as a whole, but directly attack the experiences of those players who are the most personally invested in the *Destiny 2* community.

CHEATERS

- 12. Achieving the various *Destiny 2* rewards requires substantial time and commitment. Most *Destiny 2* players enjoy seeing their commitment pay off as they climb the skill curve. They—and we as a company—expect others to also play fairly and honestly. Some users of cheat software want to gain rewards or flex on honest players without putting in the honest effort that is required for achievement. Others are tied to "account recovery" and "boosting" services, in which players use cheat software to rapidly complete in-game activities, including aspirational PvP and PvE content, on the accounts of other players who would pay to have in-game "loot" or accolades—effectively paying a "booster" to play the game repetitively for them.
- 13. Cheat software allows unskilled and unethical players to gain an unfair advantage in shared-world MMO games, in which millions of users around the world play with and compete against each other for bragging rights and in-game rewards. Around September 2021, shortly after this lawsuit was filed and after *Destiny 2* began to employ "BattlEye" anti-cheat software in addition to Bungie's in-house tools, we observed a rapid and several-fold increase in the advertised price of tracked boosting services. This correlation strongly suggests that cheat software is a practical necessity for that parasitic industry to function efficiently. We have no data to suggest that players using boosting services are informed when a booster plans to use cheat software and thereby imperil their account.
- 14. Cheating imperils the continued success of *Destiny 2*. As an ongoing, narrative-driven live-service game, *Destiny 2* requires continued reinvestment to remain profitable. Bungie does well when players enjoy *Destiny 2* so much that they are willing to invest in our expansions and cosmetic offerings. When any live-service game becomes saturated with cheaters, or gains that appearance, honest players may find success impossible and rapidly become disillusioned with the game, stop playing it, and move on

to other pastimes. The existence of even a small number of cheaters, typically in the most visible and competitive game modes, drives a perception that the game is overrun.

- 15. When players leave a game because of cheating, they also stop discussing and promoting the game, whether individually or as fans, influencers, and creators. The proliferation of cheating has led to bad press within the video game industry as a whole. Attached hereto as **Exhibit 2** are true and correct copies of press reports on this subject. That there are thousands of instances of players (*see* Paragraph 33) using Defendant Claudiu-Florentin's software to cheat at *Destiny 2* helped create the perception that the game had a cheating problem. The reputational damage caused by cheating is difficult to mitigate, and it is impossible to fully quantify the business that we lose as a result.
- 16. As a frequent *Destiny 2* player, I can viscerally understand the aggravation of encountering a cheat software user. Playing against someone who has access to infinite ammunition, unfailing aim, and an ability to see through walls naturally turns any game into a frustrating experience. I have also witnessed a selection of cheat software modes including the "aimbot," which causes the cheat user's weapon to mechanically "snap" to the critical point of an enemy combatant or player in response to a key press; "wallhack," which shows a cheat user the location of players normally hidden from view, and others. I believe that any *Destiny 2* player using a selection of the most common cheat features would find it trivial to win every engagement against a legitimate player, every time. When a cheat software user loses an engagement, it's done selectively and intentionally to avoid suspicion.

BUNGIE'S ANTI-CHEATING MEASURES

17. We take many steps to deal with cheating and with cheaters, in support of our efforts to protect *Destiny 2*. As Deputy General Counsel, I am involved in these efforts. Our efforts to address cheating take many forms, some of which operate at the level of the individual player, and others that operate at a broader scale.

- Software License Agreement ("LSLA"). The LSLA is a clickwrap agreement—that is, Destiny 2 users must indicate their agreement to the LSLA to access the game the first time they download the software, when they attempt to log in from a new account, and every time the software undergoes a major patch or revision to the LSLA. They indicate their agreement by first viewing the LSLA, then indicating that they agree to the terms by executing a "long-click" to submit the executed agreement to Bungie. Bungie would not allow any player access to Destiny 2 if it knew they intended to breach the LSLA at the time they were purporting to agree to it, and it is impossible to play Destiny 2 without indicating that agreement. A true and correct copy of the LSLA in effect at the times relevant to this case is annexed hereto as Exhibit 3.
- 19. Claudiu-Florentin and the other Defendants could not have downloaded, installed, or played *Destiny 2* without agreeing to the LSLA.
- 20. The LSLA includes a number of express conditions. One such condition is that the player refrain from the use of cheating software. Other conditions bar players from reverse engineering the game, decompiling the game, disassembling the game, or creating derivative works of the game. Still another provision prohibits players from developing cheat software for the game. The LSLA makes it clear that these provisions are conditions of the license and clearly and explicitly warns players that violating the conditions will vitiate the license and render further use of *Destiny 2* infringing. *See* **Exhibit 3.**
- 21. Bungie's methods to detect and block the use of cheat software take several forms.

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addition, Bungie has developed a number of internal tools and techniques, described

1	below, that it uses to make it difficult to develop cheat software.
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4	22. Bungie has invested substantial time, effort, and resources in developing a
5	wide range of technological tools for preventing and detecting cheating.
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19	23. Bungie has also contracted with other companies, at substantial expense,
20	for the use of anti-cheating technologies. These technologies automatically detect
21	cheating, although they require constant and costly development as cheat makers
22	continuously attempt to find ways to evade these protection measures. Bungie also
23	enables players who suspect competitors of cheating to file reports through multiple
24	channels, allowing Bungie to analyze gameplay records to ban cheat users and detect

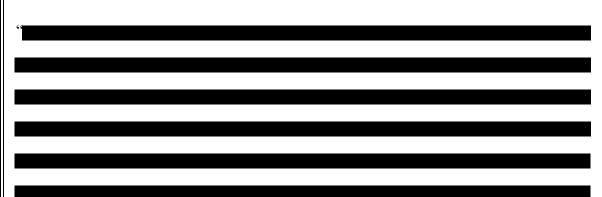
signatures of cheat software that permit Bungie to improve its automated detections.

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- 24. When players cheat, we ban them from the game. When players log in, the status of their account is checked. If a cheater attempts to connect to the game with a banned account, the attempt is rejected and the player receives a message on their screen informing them that they have been banned. These bans are implemented and enforced by computer programs and control access to *Destiny 2*.
- 25. We employ additional methods to detect players who attempt to evade bans by creating new accounts. These methods include hardware identification ("Hardware ID"), which compiles a hash from innate characteristics of a player's device in order to create that device's unique signature, and blocks attempts to play *Destiny 2* from devices that have been the subject of bans.

CLAUDIU-FLORENTIN, VETERANCHEATS.COM, AND THE CHEATS

- 26. Mr. Claudiu-Florentin, a resident of Romania, makes a living through the distribution of illegal cheat software. Doing business as VeteranCheats.com, Mr. Claudiu-Florentin, or his associates, developed, marketed, distributed, and trafficked in cheat software for *Destiny 2* (the "Cheats"), both individually and collectively with the other Defendants. Expedited discovery revealed that Mr. Claudiu-Florentin controlled the content of the website VeteranCheats.com (the "Website") through which Defendants distributed those cheating software products. *See* Declaration of Chris Varas ("Varas Decl.") ¶¶ 3-4, 10, Exs. 2-3, 9.
- 27. I have personal knowledge that Mr. Claudiu-Florentin used the Website to offer various Cheats called "Razor," "HLBOT," and "Render," which he marketed using copyrighted imagery and audiovisual sequences from *Destiny 2. See* Varas Decl. ¶ 10, Ex. 9.
- 28. Until after the time Bungie filed suit, users could purchase a "day key" or a "month key" for these cheat software products (the "Cheat Software") for the Eurodenominated equivalent of approximately \$13 to \$19 for a day and \$105 to \$164 for a



Compounding these harms, the cheat software distributed through the Website also features software tailor-made to circumvent hardware-based bans of cheat users, or "Hardware ID spoofers." This type of circumvention technology allows cheat users to alter information that is normally inherent to a user's device in order to defeat the anti-cheat systems Bungie uses to identify and block access to Bungie's services from that hardware, thus circumventing technical measures specifically designed to prevent banned users from accessing Bungie's services for *Destiny 2*.

- 30. In addition to altering play for those purchasing the Cheats, these features alter the display and game experience for other players. For example, a player whose opponent can see his location through a wall, then shoot him without effort when he appears, experiences an altered and unfair version of the game. Based on my understanding of the *Destiny 2* client and the attack vector used by the Cheats, all of the Cheats' modifications to *Destiny 2* are created by instructions fixed within the software code for the Cheats themselves, and the Cheats exist in a concrete form that substantially incorporates Bungie's protected expression. Mr. Claudiu-Florentin posted promotional videos on the Website documenting how the Cheats enable customers to modify *Destiny 2* game for other players. *See* Varas Decl. ¶ 10, Ex. 9. As noted, these promotional videos obviously incorporate Bungie's copyrighted works.
- 31. As part of my job, I work closely with members of our Game Security and Community teams, which track user feedback and experience from many sources. As

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honest players have observed, the "cheating problem in PC Destiny 2" "ruin[s] the game" and "will only frustrate and drive people away" because "indestructible . . . instakillers" destroy the experience for everyone. True and correct copies of representative online postings about cheating in *Destiny 2* are attached hereto as **Exhibit 4.** This frustration, and public expressions of it, damage Bungie's reputation and impair its ability to keep players engaged. Mr. Claudiu-Florentin expressly stated that the Cheats on the Website are designed to evade detection by Bungie's anti-cheat technology, noting that cheating is "strictly against the rules of the game." See Varas Decl. ¶ 10, Ex. 9. Indeed, Mr. Claudiu-Florentin cited the strength of Bungie's anti-cheat software as the reason he charged such exorbitant subscription fees. Id.

BUNGIE'S DAMAGES

- 32. As Bungie confirmed through expedited discovery on Stripe, Inc. ("Stripe") among others, Mr. Claudiu-Florentin relied on third-party service providers to operate the Website, distribute the Cheats, and collect and process payments. See Varas Decl. ¶ 9.
- 33. My counsel provided me Stripe's production in response to a subpoena, containing an Excel file with data on thousands of transactions related to Mr. Claudiu-Florentin. The spreadsheet that was sent to me is the spreadsheet submitted as Exhibit 7 to the Varas Declaration. I personally reviewed this Excel file, and using my personal knowledge of the Cheat products offered by Mr. Claudiu-Florentin (e.g. Razor, HLBOT, Render) confirmed 5,848 separate transactions for either a Destiny 2 cheat or a premium cheat product containing *Destiny 2* as an option. **Exhibit 5** to this Declaration is a PDF excerpt of the Excel document provided by Stripe containing only the 5,848 separate transactions referenced above and only the relevant columns of data (native Excel document available upon Court's request). Between November 2020 and July 2022, Mr. Claudiu-Florentin and the other Defendants received approximately \$146,662.28 of sales

in dollars through Stripe corresponding to those 5,848 circumvention products. This is comprised of €133,665 of sales in Euros (converted to \$145,023.18 using an exchange rate of approximately 1.09 as of January 30, 2023) and \$1,639.10 of sales in dollars. *Id.* This figure obviously does not include Mr. Claudiu-Florentin's own circumventions of account bans and his own repeated uses of the Cheats, each of which represents an additional, independent act of circumvention. Notably, it also does not include the thousands of acts of circumvention perpetrated by Mr. Claudiu-Florentin's customers each time they loaded the Cheats and used them to play *Destiny 2* for almost two years. Thus, the actual number of circumventions is many times higher.

34. Bungie has been forced to expend substantial resources in its efforts to combat cheating software, including the VeteranCheats software. We must, for example, release security updates to the software that are more frequent and more extensive than we would otherwise prefer, in order to re-obfuscate information and data structures that cheat designers have located. We are forced to continually engage in additional development of our own in-house cheat detection efforts. And we have been forced, at substantial expense, to license several forms of anti-cheat software, including but not limited to BattlEye, plus necessary engineering to integrate those tools with *Destiny 2*. The more complex and novel the cheat the more expensive it is for Bungie's in-house software engineers to defeat it.

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36. There is no doubt that players using the VeteranCheats software cost Bungie business and diminished the *Destiny 2* player base. While it is impossible to quantify the precise damage that is caused by each cheater, as that depends in part on the cheater's effects on the *Destiny 2* community, Bungie expended a minimum of \$2,000,000 on game security staffing and software during the time that VeteranCheats software offered the Cheats. Each of these pieces of cheat software functions differently, and Bungie has been forced to combat each component independently. The more complex and different the cheat is, the more expensive it is to combat, both in terms of money and time.

37. Mr. Claudiu-Florentin's actions also damaged Bungie by depriving it of revenue derived from players banned for using the Cheats, and, as described above, Bungie suffered reputational harm when honest players were deterred from playing *Destiny 2*. Bungie also was forced to expend significant resources in attorneys' fees and costs associated with this litigation. As of January 25, 2023, Bungie has incurred a total of \$217,250.70 in such attorneys' fees and costs.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct and that this declaration was executed in Washington on January ______, 2023.

JAMES BARKER