

1 KARIN G. PAGNANELLI (174763)
kgp@msk.com
2 MARC E. MAYER (190969)
mem@msk.com
3 MITCHELL SILBERBERG & KNUPP LLP
11377 West Olympic Boulevard
4 Los Angeles, California 90064-1683
Telephone: (310) 312-2000
5 Facsimile: (310) 312-3100

6 Attorneys for Plaintiffs Nexon America, Inc.,
and NEXON Korea Corporation
7

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 NEXON AMERICA, INC., a Delaware
corporation, and NEXON KOREA
12 CORPORATION, a Korean
corporation,
13

14 Plaintiffs,

15 v.

16 RYAN MICHAEL CORNWALL, a/k/a
"Riu Kuzaki" and "Alexandria
17 Cornwall"; YANGYU ZHOU a/k/a
"Yang Yu," "W8baby," and
18 "Gamersoul"; DOUGLAS CRANE
a/k/a "DJ" and "Lonerboy"; WILLIAM
19 "BILLY" KEISTER a/k/a
"ThePhoneGuy"; AMARJOT GILL
20 a/k/a "Alphaamar"; DEREK OSGOOD
a/k/a "Jayce"; COLIN JOHNSON a/k/a
21 "Colin "; LINDA LIU a/k/a
"linnyda942"; JEREMY SIMPSON;
22 V.H. a/k/a "Vince"; DOE 1 a/ka/
"Bizarro" and "Andrew"; DOE 2 a/k/a
23 "Cam1596"; and DOES 3 through 10,
inclusive,

24 Defendants.
25
26
27

Case No. 2:12-cv-00160 JGB (FFMx)

Honorable Jesus G. Bernal

**DECLARATION OF LLOYD KORN
IN SUPPORT OF PLAINTIFFS'
MOTION FOR DEFAULT
JUDGMENT**

Date: February 25, 2013
Time: 9:00 a.m.
Ctrm: 790

1 4. MapleStory is a “free-to-play” massively multiplayer online
2 roleplaying game (also known as an “MMORPG”), in which hundreds or
3 thousands of players simultaneously play and interact within a “virtual” game
4 world. In MapleStory, players travel throughout the “Maple World,” interacting
5 with others, defeating foes, completing quests, solving puzzles, and developing
6 their characters’ skills and abilities. MapleStory is Nexon’s most popular and
7 valuable property, and there are millions of MapleStory players in North America
8 alone.

9 5. Nexon is one of the pioneers of the “Free to Play” model of online
10 computer games. Playing MapleStory requires only that the user register an
11 account with Nexon free of charge. Users may purchase “virtual goods” (in-game
12 items, such as clothing, weapons, armor, pets, used to customize a user’s character
13 and the in-game experience) from Nexon’s “Cash Shop” using virtual currency,
14 known as “NX Cash.” “NX Cash” is purchased using actual currency. This
15 business model is known in the video game industry as the “microtransaction”
16 model, because each individual virtual goods purchase is small (from a few cents
17 to a few dollars).

18 6. Nexon’s revenue from MapleStory is almost entirely derived from the
19 sales of such virtual goods via microtransactions. It is these sales that enable
20 Nexon to recoup its enormous investment in MapleStory and thereby make
21 MapleStory free to play, while other online games charge a monthly subscription
22 fee or require purchase of game software. Without the sale of virtual goods,
23 MapleStory could not operate, because Nexon spends millions of dollars each year
24 to maintain, operate, and update MapleStory.

25 7. Because MapleStory is an online computer game played by many
26 people at once, it operates a bit differently from single-player video or computer
27 games. In those games, users interact only with their own game console or
28 computer. In MapleStory, players at all times are connected to a living, dynamic

1 computerized “virtual” world maintained by Nexon. The MapleStory world is
2 always operating, even when the player is logged off. Likewise, players do not
3 start a “new” game each time they play, but rather their character grows and
4 evolves over time, as does the computer game world.

5 8. The MapleStory virtual world is made possible via online connections
6 between a user’s personal computer and a remote server. Specifically, a software
7 “client” resides on a user’s personal computer. That client is connected to the
8 MapleStory server, and a constant stream of transmissions are sent between the
9 client and server. These transmissions (known as “packets”) communicate
10 information such as what the player is doing, where the player is, and what the
11 player is saying to others. Sophisticated software hackers can manipulate the
12 MapleStory game in a variety of ways, such as by altering areas of computer
13 memory where the game client is running, by changing packets or sending
14 unauthorized packets, or by “spamming” packets. Nexon takes great pains to
15 protect MapleStory from such attacks by hackers, including through the use of
16 technological measures and by requiring that users agree to abide by a Terms of
17 Use.

18
19 **GamerSoul and Bizarro Trainer**

20 9. The GamerSoul website, located at www.gamersoul.com (formerly
21 known as “W8Baby” and located at www.w8baby.com) is a website engaged in
22 the distribution and sale of MapleStory “hacks” and “cheats,” including “packet
23 editors,” “trainers,” “injectors,” and a large variety of scripts and computer files
24 that users can inject into their computer’s memory to alter the operation of the
25 MapleStory game. The most popular of these hacks is “Bizzaro Trainer” (“BT”).
26 BT is a “trainer bot” that automates gameplay of MapleStory and allows users to
27 quickly advance their character and amass virtual items without actually playing
28 the game.

1 10. The exploits provided by BT are extremely valuable because of the
2 “free to play” nature of MapleStory. Ordinarily, if a player wishes to obtain high-
3 level items or in-game currency, he or she must either purchase those items (using
4 actual currency), or play the game for long periods of time. BT shortcuts this
5 process by enabling the user to exploit the game by having the computer play
6 while the user is at work or school.

7 11. Additionally, because virtual items offered in MapleStory are
8 desirable, a “black market” exists for MapleStory items and virtual currency
9 (known as “mesos”). Using bots such as BT, it is possible for users to “meso
10 farm” – that is, collect large quantities of virtual currency – and then sell their
11 virtual currency via online auction houses or in bulk.

12 12. In addition to BT, W8Baby offers a variety of other hacks and cheats
13 such as “Packet Editors,” which interfere with the communication between client
14 and server, or “cheats,” which are small bits of software code that may be
15 “injected” into a computer’s memory to alter MapleStory while it is running.
16

17 **The Harm To Nexon Caused By GamerSoul and Bizarro Trainer**

18 13. As discussed above, MapleStory is a “free-to-play” game. Rather
19 than require a purchase of the game client or a monthly subscription, Nexon’s
20 revenue model relies on purchases of in-game items (such as clothing, armor, pets,
21 and other accessories for the player’s “avatar” or character). These items are sold
22 for very modest sums (from a few cents to a few dollars). Accordingly, in order
23 for Nexon to recoup its investment in MapleStory and keep the game operating, it
24 is critical that Nexon maintain a steady community of active players who stay
25 active in the game and engage in regular purchase transactions. The more people
26 play MapleStory, the more revenue the game generates.

27 14. Therefore, keeping the playing field fair and balanced is critical to the
28 success of Nexon’s games and of paramount importance to Nexon. By distributing

1 hacks and cheats such as BT to the public, Defendants' have caused serious harm
2 to the value of MapleStory in the following ways:

3 15. **First**, Defendants' activities irreparably harm the ability of Nexon's
4 legitimate customers - i.e. those who play MapleStory without the aid of hacks,
5 bots, or cheats - to enjoy and participate in the fair and balanced game-play
6 experience that Nexon seeks to provide to its users. That in turn causes users to
7 grow dissatisfied with the game, lose interest in the game, and communicate that
8 dissatisfaction to other users, some of whom consequently leave or quit the game,
9 resulting in fewer players playing the game and a resultant loss of revenue to
10 Nexon.

11 16. **Second**, the proliferation and use of MapleStory hacks and cheats
12 forces Nexon to spend enormous sums of money (and vast amounts of time)
13 attempting to remediate the damage caused by these programs. This includes
14 creating and releasing new versions of the game client, responding to customer
15 complaints regarding the use of hacks, and employing personnel to police the game
16 to detect the use of hacks and "ban," (i.e. delete the accounts of) users who are
17 using hacks.

18 17. **Third**, the Defendants' conduct harms Nexon's reputation and results
19 in the loss of customer goodwill. Put simply, the harm to Nexon and to the
20 reputation of its products from the Defendants' activities is incalculable.

21 18. **Fourth**, the use of bots and cheats such as BT distorts the game
22 economy and devalues MapleStory's virtual currency. For example, if certain
23 users are able to amass and sell large quantities of virtual gold (mesos) at a
24 discount, then the real world value of a "meso" is impacted, and Nexon will be
25 unable to sell virtual currency because it cannot compete with the black market.
26 Likewise, MapleStory's game economy is based upon a complex and carefully
27 thought-out set of calculations concerning the real-world value of certain items.

28 For example, Nexon may have determined that a rare high-level sword would take

1 10 hours to acquire in the game, and thus sell the item for \$3.00. However,
2 someone using a bot such as BT could leave his computer on while he or she
3 sleeps and thereby obtain items of equivalent value. As these items are obtained
4 and acquired in large quantities by botters, they become more common (less rare)
5 and lose their value. Thus, legitimate users will not wish to pay the price for these
6 items, but may instead either use bots such as BT or obtain the item for less money
7 via the black market.

8 19. Each of the foregoing harms are not easily remediable by money
9 damages. Also, while these harms are significant and real, it is extremely difficult
10 to precisely calculate the harm to Nexon of such activities. Thus, the only way to
11 remediate this harm is by stopping the sale of hacks and cheats such as BT and by
12 awarding substantial monetary damages against the sellers of such software
13 products. It also is critical that a monetary award be sufficiently large (in excess of
14 the revenue obtained by them) to discourage the distributors from further sale of
15 these products.

16
17 I declare under penalty of perjury under the laws of the United States of
18 America that the foregoing is true and correct.

19
20 Executed on this 30th day of November 2012, at El Segundo, California.

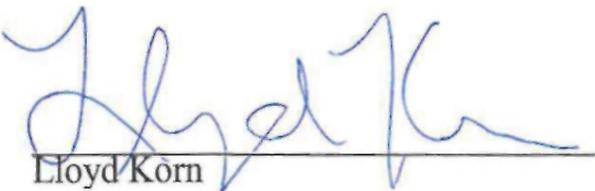
21
22
23
24 
Lloyd Korn

EXHIBIT A

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Maria A. Pallante

Register of Copyrights, United States of America

Registration Number
PA 1-741-698

Effective date of
registration:
December 17, 2010

Title

Title of Work: MapleStory Version 75

Completion/Publication

Year of Completion: 2003

Date of 1st Publication: April 29, 2003

Nation of 1st Publication: Korea (South)

Author

Author: Nexon Corporation

Author Created: Software source code, 2-D pictorial graphics, audiovisual

Work made for hire: Yes

Domiciled in: Korea (South)

Copyright claimant

Copyright Claimant: Nexon America Inc.

222 N. Sepulveda Blvd., Suite 300, El Segundo, CA, 90245, United States

Transfer Statement: By assignment.

Rights and Permissions

Organization Name: Nexon America Inc.

Telephone: 213-858-5930

Address: 222 N. Sepulveda Blvd.

Suite 300

El Segundo, CA 90245 United States

Certification

Name: Eric J. Schwartz

Date: December 16, 2010

Applicant's Tracking Number: 43520-00001

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California, I am over
4 the age of eighteen years and am not a party to this action; my business address is
5 Mitchell Silberberg & Knupp LLP, 11377 West Olympic Boulevard, Los Angeles,
6 CA 90064-1683.

7 On January 18, 2013, I served a copy of the foregoing document described
8 as **DECLARATION OF LLOYD ORN IN SUPPORT OF PLAINTIFFS'**
9 **MOTION FOR DEFAULT JUDGMENT** on the interested parties in this action
10 at their last known address as set forth below by taking the action described below:

11 Colin Johnson
12 59750 Dogwood Road
13 Mishawaka, IN 46544

14 *Defendant*

Robin Unander, Esq.
Law Office of Robin L. Unander
924 Anacapa Street, Suite 21
Santa Barbara, CA 93101

Attorney for Linda Liu

15 William Keister
16 1014 Hanson Road
17 Joppa, MD 21085

18 *Defendant*

Derek Osgood
9 3rd Avenue
Lakeville, MA 02347

Defendant

19 **BY MAIL:** I placed the above-mentioned document(s) in sealed
20 envelope(s) addressed as set forth above, and deposited each envelope in the
21 mail at Los Angeles, California. Each envelope was mailed with postage
22 thereon fully prepaid.

23 I declare under penalty of perjury under the laws of the United States that
24 the above is true and correct.

25 Executed on January 18, 2013, at Los Angeles, California.

26 

27 _____
28 Sunni Donmoyer

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF Los Angeles

3 I am employed in the County of Los Angeles, State of California, I am over
4 the age of eighteen years and am not a party to this action; my business address is
5 Mitchell Silberberg & Knupp LLP, 11377 West Olympic Boulevard, Los Angeles,
6 CA 90064-1683, and my business email address is sgd@msk.com.

6 On January 18, 2013, I served a copy of the foregoing document described
7 as **DECLARATION OF LLOYD ORN IN SUPPORT OF PLAINTIFFS’**
8 **MOTION FOR DEFAULT JUDGMENT** on the interested parties in this action
9 at their last known address as set forth below by taking the action described below:

8 Douglas Crane Armajot Gill
9 EMAIL: dcranelonerboy@yahoo.com EMAIL: alphaamar@gmail.com

10 *Defendant* *Defendant*

11 Ryan Michael Cornwall
12 EMAIL: riukuzaki@gmail.com

13 *Defendant*

14 **BY ELECTRONIC MAIL:** I served the above-mentioned document
15 electronically on the parties listed at the email addresses above and, to the
16 best of my knowledge, the transmission was complete and without error in
17 that I did not receive an electronic notification to the contrary

18 I declare under penalty of perjury under the laws of the United States that
19 the above is true and correct.

20 Executed on January 18, 2013, at Los Angeles, California.

21 

22 _____
23 Sunni Donmoyer