

1 YONATON ROSENZWEIG (State Bar No. 248137)  
 yonirosenzweig@dwt.com  
 2 BRITTON HAMILTON (State Bar No. 336739)  
 brittonhamilton@dwt.com  
 3 DAVIS WRIGHT TREMAINE LLP  
 865 South Figueroa Street, Suite 2400  
 4 Los Angeles, California 90017-2566  
 Telephone: (213) 633-6800  
 5 Fax: (213) 633-6899

6 Attorneys for Plaintiff  
 BLOCKCHAIN GAME PARTNERS, INC.  
 7 d/b/a GALA GAMES

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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

Case No. **24-cv-2100**

BLOCKCHAIN GAME PARTNERS, INC.  
 d/b/a GALA GAMES, a Wyoming corporation,  
 Plaintiff,  
 v.  
 GAMEDIA, B.V., a Netherlands corporation,  
 Defendant.

**COMPLAINT FOR:**  
 (1) **DECLARATORY JUDGMENT**  
 (2) **BREACH OF CONTRACT**  
**(ANTICIPATORY BREACH)**  
 (3) **BREACH OF CONTRACT**  
**(EXCLUSIVITY)**  
 (4) **BREACH OF CONTRACT**  
**(REPRESENTATIONS AND**  
**WARRANTIES)**  
 (5) **BREACH OF CONTRACT**  
**(COVENANT OF GOOD FAITH AND**  
**FAIR DEALING)**

**JURY TRIAL DEMANDED**

1 COMES NOW, Plaintiff Blockchain Game Partners, Inc. d/b/a Gala Games (“**Gala**  
2 **Games**”), by and through undersigned counsel, and for its Complaint, against Defendant  
3 Gamedia, B.V. (“**Gamedia**”), alleges as follows:

4 **INTRODUCTION**

5 1. Gala Games is a leading developer and publisher of blockchain-based electronic  
6 games. Gala Games brings this lawsuit because defendant Gamedia—the developer that Gala  
7 Games hired for the popular “Spider Tanks” game—abandoned its obligation to support the game  
8 and left the gaming community without the exciting features and new developments that made the  
9 game popular. Gala Games has tried everything to encourage Gamedia to comply with its legal  
10 obligations or, at the bare minimum, allow Gala Games to take over development. Nothing has  
11 worked. Gamedia has refused to share the information that Gala Games needs to take over  
12 development and has officially reassigned its staff to other projects that it deems more profitable.

13 2. Gamedia doubled down on this bad-faith course of action by threatening to steal  
14 the game’s distribution rights from Gala Games and to publish it on its own on unapproved and  
15 unsupported platforms, where the quality will suffer and the community will be further alienated.  
16 More specially, Gamedia has sent bogus “termination” notices and has also taken the (self-  
17 contradictory) position that Gala Games’ exclusive rights to the game terminate in September  
18 2024. In fact, by the plain language of the agreement, the rights persist until 2025; however, those  
19 exclusive rights must be extended because of the conduct described herein. Gala Games has no  
20 choice but to protect itself and the community from Gamedia’s destructive misconduct.

21 3. Gamedia’s extortion plan is plain: first it demanded that Gala Games pay it to turn  
22 over the source code that it is already obligated to turn over, and then Gamedia threatened to  
23 terminate the license and take away the game from Gala Games when its demands were not met.  
24 Court intervention is required to order the turnover of the source code, to declare the rights of the  
25 parties and the exclusivity period, and to order monetary damages.

**PARTIES, JURISDICTION, AND VENUE**

1  
2 4. Plaintiff Gala Games is a Wyoming corporation with a principal office at 1309  
3 Coffeen Avenue, Suite 11110, Sheridan, Wyoming 82801. In addition, Gala Games maintains  
4 offices in California including its headquarters.

5 5. Defendant Gamedia is a Netherlands corporation with a principal place of business  
6 at Heul 3b, 1811GL, Alkmaar, the Netherlands.

7 6. Under the parties' contract, Gala Games and Gamedia agreed that any dispute  
8 arising from or related to the agreement would be governed by California law.

9 7. Gala Games negotiated, signed, and/or performed the contract through officers,  
10 employees, or agents located in California, including in this District.

11 8. Gamedia negotiated, signed, performed, and received payments under the contract  
12 under California law knowing that the counterparty, Gala Games, or its officers, employees,  
13 agents, or offices are located in California, and therefore purposefully availed itself of the laws of  
14 this State.

15 9. The Court has subject-matter jurisdiction over this dispute under 28 U.S.C.  
16 § 1332(a)(2) because the parties have diverse or foreign citizenship, and the amount in  
17 controversy exceeds \$75,000.

18 10. The Court has personal jurisdiction over Gamedia under Fed. R. Civ. P. 4(k)(1)(A)  
19 and Cal. Civ. Proc. Code § 410.10 because Gamedia has minimum contacts with California such  
20 that the exercise of jurisdiction does not offend traditional notions of fair play and substantial  
21 justice.

22 11. Venue in this judicial district is proper pursuant to 28 U.S.C. § 1391(b) because a  
23 substantial part of the events and omissions giving rise to the claims herein occurred in this  
24 District and Gamedia is subject to the Court's personal jurisdiction in this District.

25 12. Gala Games reserves the right to add as defendants any alter egos, successors, or  
26 other parties liable for the acts and omissions identified in this Complaint, who may be identified  
27 in discovery in this action.

FACTS

Gala Games' Exclusive License

13. Gala Games is a developer and publisher of electronic games. Gala Games developed and maintains the Gala Games ecosystem, on which users play games published by Gala Games. These games incorporate blockchain currencies, which can be used to make purchases or exchanged with others. In addition to developing its own games, Gala Games hires third-party developers to create games that Gala Games publishes for use on the Gala Games ecosystem.

14. On June 1, 2021, Gala Games and Gamedia entered into a Definitive Agreement (the “**Agreement**”) to develop the game “Spider Tanks,” formerly known as “Tank Arena” (the “**Branded Game**”).

15. The “Term” of the Agreement continues for three years from the “Commercial Launch” of the Branded Game.

16. The “Commercial Launch” means “the Branded Game is made commercially available to the general population of end users worldwide,” who “are not each required to apply for and/or use a code or closed early access system in order to access the Branded Game.” In addition, the Commercial Launch also must have “fully enable[d]” monetization features and public marketing support.

17. Under the Agreement, Gamedia granted to Gala Games an “exclusive . . . license during the Term . . . to develop, market, and distribute the Branded Game” (the “**Exclusivity Period**”). The Agreement repeatedly reiterates that these “rights and licenses granted by GAMEDIA in this Agreement are exclusive.” Indeed, “the appointment of GALA GAMES as the exclusive publisher and distributor of the Branded Game is exclusive and GAMEDIA and its Affiliates will not (i) publish, operate, or distribute any Branded Game or otherwise exercise any of the rights granted to Licensee hereunder in relation to any Branded Game; or (ii) grant to any other Person any license or other right to publish, operate, or distribute any Branded Game or otherwise exercise any of the rights granted to Licensee hereunder in relation to any Branded Game without the prior written consent of GALA GAMES.”

1 18. The Commercial Launch occurred on October 31, 2022. Hence, the Term of the  
2 Agreement—and the Exclusivity Period—will end three years later on October 31, 2025.

3 19. In addition to exclusivity, Gamedia granted to Gala Games a license to use,  
4 develop, and upgrade the Branded Game. Gamedia granted Gala Games an exclusive “license  
5 during the Term to use the Licensed IP” (the “**Use License**”). The “Licensed IP” is broadly  
6 defined as Gamedia’s intellectual property used in connection with the Branded Game, including  
7 its “source code.” The Use License “includes the rights to . . . develop, publish, distribute,  
8 operate, and exploit the Branded Game (including Upgrades).” “Upgrades” are defined as “a  
9 modification of, addition to, or extension of the Branded Game or other product, correction,  
10 update, upgrade, patch, enhancement, extension, or new release.” The Agreement reiterates that  
11 the Licensed IP under the Use License includes “Upgrades or modifications, improvements, or  
12 derivative works,” including “derivative works . . . made by . . . GALA GAMES.”

13 20. Furthermore, Gamedia represented and warranted that Gala Games will be able to  
14 “fully use” the Licensed IP and exercise its Use License. If Gamedia breaches this representation  
15 and warranty, Gamedia must “promptly . . . deliver” any “missing item” that is necessary to Gala  
16 Games’ use.

17 21. Thus, Gala Games has the right to “fully use” the Licensed IP under its Use  
18 License, which includes the right to “develop . . . Upgrades” to the Branded Game by using its  
19 “source code.”

20 22. In exchange for its exclusive license, Gala Games paid Gamedia a development  
21 budget as well as a share of game revenue—together worth at the time tens of millions of U.S.  
22 dollars.

23 **Gamedia’s Cessation of Support and Failure to Turn Over the Source Code**

24 23. As Gamedia has acknowledged, Gamedia is under an ongoing duty to provide  
25 “continued contractually obligated support for the Branded Game throughout the Term.” Among  
26 other things, Gamedia must continue to “perform their obligations in a professional manner,  
27 consistent with best industry standards,” perform the services “in a timely, competent,  
28 professional, and workmanlike manner,” “comply with this Agreement and all applicable GALA

1 GAMES policies,” and refrain from “reduc[ing] the desirability or effectiveness” of game non-  
2 fungible tokens (NFTs).

3 24. Unfortunately, in 2023, Gamedia turned its back on those obligations. Gamedia  
4 ceased its support for the Branded Game and stopped all work on it. Among other things,  
5 Gamedia refused to develop any upgrades to the Branded Game, even though upgrades are  
6 standard in the gaming industry and expected by users. The continual addition of upgrades and  
7 new features, such as new items or NFTs that users can purchase, is what keeps users engaged and  
8 attracted to the game. This breach has resulted in demonstrable and significant lost revenues as  
9 there was a steep drop-off in revenues after this breach.

10 25. Gamedia’s cessation of support has caused significant harm to Gala Games, but  
11 most importantly it has caused harm and distress to its users. After Gamedia ceased support, user  
12 engagement and game revenue dropped precipitously. Users have lost interest and ceased  
13 purchasing in-game items, as there are no new items. Users are unhappy with the outdated state  
14 of the Branded Game and have communicated their unhappiness to Gala Games. Gamedia’s  
15 cessation of support has frustrated Gala Games’ ability to attract and retain its user base, their  
16 goodwill, and revenue streams.

17 26. Gala Games cannot address its users’ dissatisfaction without Court intervention.  
18 At this time, without Court assistance, only Gamedia can develop upgrades, because doing so  
19 requires modifying the Branded Game’s source code, which Gamedia currently possesses.

20 27. On December 12, 2023, Gala Games sent Gamedia a formal notice that Gamedia  
21 had materially breached the Agreement by ceasing support for the Branded Game. Gala Games  
22 demanded that Gamedia resume support for the Branded Game, not only because the Agreement  
23 required it, but also for the sake of the user community that both companies share.

24 28. On January 4, 2024, Gamedia responded to Gala Games’ notice. While  
25 acknowledging Gamedia’s duty to provide “continued contractually obligated support for the  
26 Branded Game,” Gamedia nonetheless refused to provide any further support for development.

27 29. On January 10, 2024, Gala Games sent Gamedia a second notice of material breach  
28 of the Agreement. As Gala Games explained, Gamedia is in breach because Gala Games is

1 currently unable to “fully use” the Licensed IP to “develop . . . Upgrades,” which is Gala Games’  
2 exclusive right under its Use License. Moreover, the Licensed IP includes the Branded Game’s  
3 “source code,” but Gala Games currently does not have possession of and cannot “fully use” the  
4 source code. Gala Games demanded that Gamedia “promptly . . . deliver [the] missing” source  
5 code as required by the Agreement.

6 30. On February 8, 2024, Gamedia responded to Gala Games’ second notice. Gamedia  
7 refused to turn over the missing source code.

8 31. To date, Gamedia has neither resumed support for the Branded Game nor delivered  
9 the source code required to fully use the Licensed IP.

### 10 **Gamedia’s Bad-Faith Attempts to Prematurely Terminate the Agreement**

11 32. Making matters worse, in its January 4 and February 8 emails, Gamedia falsely  
12 asserted that the Term of the Agreement—and Gala Games’ valuable Exclusivity Period—would  
13 terminate much sooner than when it was actually scheduled to expire. As explained above, the  
14 correct termination date is October 31, 2025—three years after the Commercial Launch on  
15 October 31, 2022. Gamedia’s false assertions are belied by their shifting explanations, the text of  
16 the Agreement, and the actual facts.

17 33. First, Gamedia attempted to tie the three-year period to a different defined term  
18 (*not* the Commercial Launch) purportedly occurring by November 2021. With this incorrect  
19 timing, Gamedia attempted to nullify a year of Gala Games’ Exclusivity Period.

20 34. When Gala Games pointed out Gamedia’s error, Gamedia changed tack and tried  
21 to tie the three-year period to a closed beta test in September 2021—again, *not* the Commercial  
22 Launch, which must be “available to the general population of end users worldwide” rather than a  
23 “closed early access system.”

24 35. Finally, Gamedia concocted a list of supposed “breaches” committed by Gala  
25 Games. These supposed breaches were ill-defined, unsupported, and flat-out false. In the same  
26 email, Gamedia unilaterally pronounced that the breaches were “incurable” and that termination  
27 of the Agreement was the “sole viable recourse.” Gamedia gave Gala Games “30 days” (until  
28 March 9) to propose a “satisfactory solution.” Gamedia, through counsel in the Netherlands, then

1 expounded upon a wish list of negotiated terms including the “immediate expiration of the  
2 exclusivity of the License” so that Gamedia can “develop[] Spider Tanks for other platforms.”

3 36. On March 6, 2024, Gamedia publicly announced that it was “ready to kick it into  
4 the next gear for the future” and was looking for “partner[s]” to “get in on this action.” Without  
5 Gala Games’ consent, Gamedia included the Branded Game in a video of a “taste of what’s to  
6 come,” in violation of Gala Games’ exclusive right to market the Branded Game. Gamedia  
7 further included unauthorized images of *Gala Games executives* accepting awards for its leading  
8 role in developing the blockchain-based game industry into what it is today. These actions, taken  
9 together, show that Gamedia is planning to develop and/or release the Branded Game on other  
10 platforms with other partners—in violation of Gala Games’ exclusive license.

11 37. When Gala Games raised this issue with Gamedia, Gamedia responded that Gala  
12 Games’ “exclusivity will not persist beyond the Termination of the Agreement.” Then it  
13 proceeded to send an email that declared that the exclusive license is terminated because Gala  
14 Games was seeking to enforce its exclusivity.

15 38. In sum, Gamedia is attempting to extort Gala Games into forfeiting its Exclusivity  
16 Period so that Gamedia can exploit the Branded Game on its own without Gala Games.  
17 Gamedia’s assertions and acts are in bad faith, violate the Agreement, and are fundamentally  
18 unfair to Gala Games, who spent millions of dollars funding the development of the Branded  
19 Game. Furthermore, Gamedia’s conduct is an affront to the Branded Game user base, who have  
20 allocated considerable time and energy toward the advancement and enrichment of the gaming  
21 experience, only to see the game wither away after Gamedia abandoned it.

### 22 **Urgent Need for Court Intervention**

23 39. *First*, Gamedia’s refusal to support the Branded Game or turn over the source code  
24 has resulted in a serious degradation of value to the game that cannot be cured by money damages  
25 alone, although there is a financial cost as well. The loss of users and goodwill and the inability  
26 to attract potential new users are aspects of irreparable loss.

27 40. *Second*, each day that Gamedia refuses to perform its obligations under the  
28 Agreement is another day that Gala Games is deprived of the full value of its Exclusivity Period.



1 Gala Games is forced to bring this action to remedy Gamedia’s breaches and prevent Gamedia  
2 from prematurely terminating the Agreement, negotiating with new “partners” to release the  
3 Branded Game, or otherwise act in violation of the Exclusivity Period. Gala asks the Court to  
4 judicially declare the true end date of the Exclusivity Period. Gamedia’s breach of its duty to  
5 support the game has deprived Gala Games of the advantages of its Exclusivity Period. As  
6 compensation, Gala is entitled to an extended period of exclusivity.

7 41. If Gamedia persists in improperly claiming termination of the Agreement and  
8 violating Gala Games’ exclusive license, Gala Games reserves the right to amend this Complaint  
9 to assert additional causes of action, including additional breaches of exclusivity and copyright  
10 and trademark infringement.

11 **FIRST CAUSE OF ACTION**

12 **DECLARATORY JUDGMENT**

13 42. Gala Games incorporates by reference all facts and allegations set forth above as  
14 though fully set forth herein.

15 43. There is an actual controversy between Gala Games and Gamedia as to the date of  
16 the Commercial Launch and the expiration of the Term of the Agreement.

17 44. Gala Games seeks declaratory judgment that the Commercial Launch occurred on  
18 October 31, 2022 and the Term will expire on October 31, 2025 by its terms.

19 45. Gala Games further seeks a declaration that Gamedia’s reduction or elimination of  
20 staff to support the Branded Game was a breach of the Agreement.

21 **SECOND CAUSE OF ACTION**

22 **BREACH OF CONTRACT – ANTICIPATORY BREACH**

23 46. Gala Games incorporates by reference all facts and allegations set forth above as  
24 though fully set forth herein.

25 47. Gala Games and Gamedia entered into a written contract in the Agreement.

26 48. Gamedia gave notice to Gala Games that Gamedia would not comply with the  
27 Agreement and thus repudiated it, by emails stating that the Agreement will be terminated as of  
28

1 October 31, 2024, September 19, 2024, March 9, 2024, and/or March 14, 2024. Gamedia has not  
2 retracted these repudiations.

3 49. At the time that Gala Games received Gamedia's repudiation, Gala Games had  
4 performed the terms of the Agreement in the manner specified by the Agreement and was ready,  
5 willing, and able to complete performance under the Agreement.

6 50. Because of Gamedia's failure and refusal to comply with its obligations under the  
7 Agreement, Gala Games has been damaged.

8 **THIRD CAUSE OF ACTION**

9 **BREACH OF CONTRACT – EXCLUSIVITY**

10 1. Gala Games incorporates by reference all facts and allegations set forth above as  
11 though fully set forth herein.

12 2. Gala Games and Gamedia entered into a written contract in the Agreement.

13 3. Gala Games has performed all the conditions, covenants, promises, and agreements  
14 required of it under the terms of the Agreement.

15 4. Gamedia has failed and refused, and continues to fail and refuse, to perform its part  
16 of the Agreement, to wit, to not publish, operate, distribute, develop, or market the Branded Game  
17 or otherwise exercise any of Gala Games' exclusive rights without Gala Games' prior written  
18 consent.

19 5. Because of Gamedia's failure and refusal to perform its obligations under the  
20 Agreement, Gala Games has been damaged.

21 **FOURTH CAUSE OF ACTION**

22 **BREACH OF CONTRACT – REPRESENTATIONS AND WARRANTIES**

23 6. Gala Games incorporates by reference all facts and allegations set forth above as  
24 though fully set forth herein.

25 7. Gala Games and Gamedia entered into a written contract in the Agreement.

26 8. Gala Games has performed all the conditions, covenants, promises, and agreements  
27 required of it under the terms of the Agreement.

28

1 9. Gamedia has failed and refused, and continues to fail and refuse, to perform its part  
2 of the Agreement, to wit, to ensure that Gala Games will be able to fully use the Licensed IP by  
3 promptly delivering the Branded Game's source code.

4 10. Because of Gamedia's failure and refusal to perform its obligations under the  
5 Agreement, Gala Games has been damaged.

6 **FIFTH CAUSE OF ACTION**

7 **BREACH OF CONTRACT – COVENANT OF GOOD FAITH AND FAIR DEALING**

8 11. Gala Games incorporates by reference all facts and allegations set forth above as  
9 though fully set forth herein.

10 12. Gala Games and Gamedia entered into a written contract in the Agreement.

11 13. Like all contracts entered into under California law, the parties' Agreement  
12 contains an implied covenant that neither party will take any action, or refuse to take any action,  
13 which would deny the other party the intended object of the agreement. Gamedia has violated the  
14 implied covenant in multiple ways, including:

- 15 a. Ceasing support for development of the Branded Game;
- 16 b. Refusing to deliver the Branded Game's source code;
- 17 c. Falsely asserting that the Commercial Launch and the expiration of the  
18 Term occurred or would occur on dates before their actual occurrence;
- 19 d. Falsely accusing Gala Games of breaching the Agreement;
- 20 e. Attempting to nullify Gala Games' Exclusivity Period in whole or in part;  
21 and
- 22 f. Improperly marketing the Branded Game for its own purposes, without  
23 Gala Games' consent.

24 14. Because of Gamedia's breach of the implied covenant, Gala Games has been  
25 damaged.

26 **JURY TRIAL DEMAND**

27 Gala Games hereby demands a jury trial on all issues so triable.  
28

