

EXHIBIT 61

1
2 UNITED STATES DISTRICT COURT
3 FOR THE DISTRICT OF ARIZONA
4

5 MDY INDUSTRIES, LLC,)
6 Plaintiff,)
7 Counter-Claim Defendant,)
8 -vs-) CIVIL ACTION NO.
9) CV 06-2555 PHX DGC
10 BLIZZARD ENTERTAINMENT, INC.)
11 AND VIVENDI GAMES, INC.,)
12 Defendant)
13 Counter-Claim Plaintiffs,)

14 VIDEOTAPED

15 DEPOSITION OF EDWARD CASTRONOVA

16 The deposition upon oral examination of EDWARD
17 CASTRONOVA, a witness produced and sworn before me,
18 Tamara J. Brown, CSR, RMR, CRR, Notary Public in and
19 for the County of Marion, State of Indiana, taken on
20 behalf of the Plaintiff, at the offices of Lewis &
21 Kappes, P.C., Suite 1700, One American Square,
22 Indianapolis, Marion County, Indiana, on the 15th
23 day of January, 2008, pursuant to the Federal Rules
24 of Civil Procedure with written notice as to time
25 and place thereof.

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1 quitting. They also include people not signing
2 up, and also a general willingness-to-pay
3 weakness that affects all the revenue
4 acquisition areas of Blizzard. And then there
5 are numerous costs, which we will go into
6 eventually.

7 **Q** But I think what I want to understand, though,
8 you're saying the fact, does it cause damage,
9 not whether or not people are signing up for
10 Blizzard's game.

11 **A** Right.

12 **Q** But you've also said that, my understanding is,
13 that you haven't done any study, any scientific
14 study or done any interviews of people as to why
15 it is that they are leaving the game.

16 **A** When -- let's see -- when a series of bits of
17 data and well known and accepted economic
18 theories come together to point to a conclusion,
19 it seems to me it would make little sense to do
20 that kind of a study. It wouldn't be necessary.

21 So you -- it's easy to identify that people
22 don't like bots in their games. It's well known
23 in economic theory that when people don't like
24 something about a product, they either don't buy
25 it, or if they bought it already, they quit it.

1 Or if they remain a subscriber, they become less
2 likely to spend money. It's well known within
3 economics that when people are unhappy, that
4 causes a revenue hit to the company.

5 So I don't think you would need to -- you
6 know, if someone started putting extra salt in
7 my Diet Coke, I would not need to do a formal
8 study to predict that sales of Diet Coke will go
9 down, and that there's a damage to Coke from
10 doing that. It's true.

11 You know, this is the great use of having
12 statistics and theories, that we don't have to
13 do all these studies. I certainly don't feel
14 it's necessary in this case.

15 Q Well, you mentioned the net effect, because I
16 think that's really what this whole thing comes
17 down to, is what is the net effect.

18 Do you have any idea of how many people
19 have actually purchased Glider keys?

20 A My sense is that it's 25 to 30 thousand.

21 Q Okay. Do you have any idea of how many of those
22 people have used multiple accounts with those
23 Glider keys?

24 A No, I don't know.

25 Q Do you have any idea of how many people have

1 person who, let's say, opens a second account
2 because of Glider, let's say for every person
3 who does that, there are five million people in
4 North America and the EU who are potentially mad
5 about botting in World of Warcraft. And in
6 terms of aggregates, that one account for that
7 person gets swamped by the anger of five million
8 other people.

9 Every time I have done a cost/benefit
10 analysis, those aggregate effects always swamp
11 these, you know, a few new accounts.

12 Q But with regard to this case, you haven't done
13 any, any scientific study to show that, correct?

14 A That's not true at all. I mean the model that I
15 put forward uses established and recognized
16 methods for doing exactly this sort of
17 simulation study.

18 So, you know, you assume that some
19 behavior, whether it's, you know, pollution or
20 theft, or in this case cheating in a game, has
21 some negative consequence on the people who use
22 the game. And then you simulate, under
23 plausible parameters, what those effects would
24 be. That's an accepted method.

25 Q But in terms of the actual numbers, I mean,

1 watch down there, I'm going to have a sense of
2 what it's worth even if there's no price tag.

3 So formal empirical studies are great.
4 They are sufficient for establishing damages.
5 But in the literature on cost/benefit analysis,
6 it is very common, normal, and accepted
7 scientific procedure to develop a compelling
8 model, simulate that model with plausible
9 parameters, and use that to put bounds on the
10 effects.

11 And I don't think there's any way to go
12 through that protocol without coming up with
13 bounds that indicate there is some substantial
14 damage to Blizzard from the existence of Glider.
15 I don't think there's any way to cut this animal
16 and not come up with that answer.

17 Q Okay.

18 A The rebuttal expert and I can disagree about,
19 it's high, it's low, but zero is not in there.

20 Q Okay. You also state on page 5 that, "It is
21 difficult for another user to confirm that
22 players gaining levels at an accelerated pace
23 are botting, so the average player concludes
24 that either he must be an incompetent player or
25 the system is balanced against him. Either way,

1 he may quit the game and encourage others not to
2 purchase it."

3 And I understand we may have actually kind
4 of talked about this right now. It's kind of in
5 my outline, so I feel I've got to ask it.

6 A That's fine.

7 Q And we're going to keep coming back to this
8 theme, so I apologize for, I keep asking the
9 question.

10 But again, do you have any study that you
11 have done to support that assertion?

12 A No.

13 Q Ever interviewed any users of WoW, whether or
14 not they feel that other -- that they must be
15 incompetent -- the other player must be
16 incompetent, or that the system is balanced
17 against them?

18 A Again, we didn't really get into this last time.
19 What do you mean by interview, like, talked to?
20 I have talked to lots of World of Warcraft
21 players.

22 Q How many?

23 A I couldn't even count, thousands.

24 Q Thousands?

25 A Yeah. I play the game. I interact with people

1 in guilds. I interact with students who play,
2 my colleagues who play.

3 And so based on that emersion in the
4 community, my sense is that a player who is
5 aware that some other character is somehow
6 unfairly getting ahead concludes that either
7 that player has some sort of unfair advantage, a
8 bot, or that I must not be playing this game
9 right. You will see sort of anguished outcry
10 from someone you know saying, why is it, you
11 know, how come everybody has got this specific
12 item, and every time I go to that cave I can't
13 get it, what am I doing wrong?

14 Q Have you ever actually asked a specific WoW
15 player -- I'll phrase it another way -- has a
16 WoW player ever told you -- no, strike that
17 again.

18 Has a potential WoW player ever told you
19 that they chose not to purchase or play the WoW
20 game because of the existence of bots?

21 A No.

22 Q And you said you've interviewed how many
23 players?

24 A Thousands -- well, players, in other words,
25 people in the game.