

#### Video Game IP

#### What you need to know NOW!

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Banner & Witcoff, Ltd.

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Video Game IP: What you need to know NOW

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#### Disclaimer

- Discussion today is primarily with respect to U.S. law
- Each scenario is unique, and nothing in this presentation should be construed as legal advice
- This presentation is for informational purposes only
- The views presented herein are my own, and not necessarily those of my clients or my law firm

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## **Content Restrictions**

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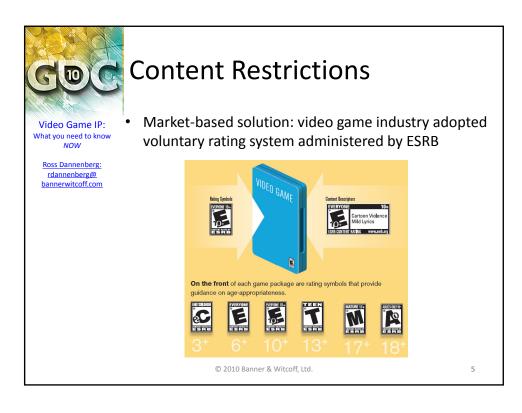
#### **Content Restrictions**

- State laws restricting violent content regularly ruled unconstitutional under U.S. law
  - VSDA v.
     Schwarzenegger, 556
     F.3d 950 (9th Cir. 2009)
  - ESA v. Swanson, 519 F.
     3d 768 (8th Cir. 2007)
  - ESA v. Blagojevich, 469
     F.3d 641 (7th Cir. 2006)
- Sexual content and drug use is protected speech, too.





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# Copyrights

- Protects artistic expression
  - Artwork, Scenery, Characters, Sounds, Music, Text, Source Code, Animation
- Protection exists automatically; easy to obtain
  - Fixation of a work in a tangible medium of expression
  - Duration
    - Life of author + 70 years; or
    - 95 years from publication or 120 years from creation, whichever is shorter (anonymous works and works made for hire)
- Civil and Criminal penalties in the U.S. for copyright infringement

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# Copyrights:

## What you need to know NOW

- Copyright Notice:
  - © <year of publication> <copyright owner>
  - − E.g., © 2010 Banner & Witcoff, Ltd.
  - Removes defense of innocent infringement
- Scope of protection is narrow; primary use is against software pirates

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# Copyrights:

#### What you need to know NOW

- Work made for hire:
  - Made by an employee <u>acting within the</u> <u>scope of employment</u>, OR
  - A specially commissioned work:
    - For use within one of nine statutory categories of works, including audiovisual works (e.g., video games!), AND
    - The <u>parties expressly agree in writing</u> that the work shall be considered a work made for hire.

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# Copyrights:

# What you need to know NOW

- Independent Contractor Agreements:
  - "To the extent allowable by law, the parties agree that all work shall be considered a work made for hire. To the extent the work is not considered a work made for hire, contractor agrees to assign and hereby assigns all copyrights in the work to Acme, Inc."
  - BOTH parties must sign the agreement

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**Copyright Registration** 

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File online, and learn more, at <u>www.copyright.gov</u>

• Fee: US\$35.00

• When:

- Within 3 months of first publication; or

ANYTIME

• Benefit:

Presumption of valid copyright in court

– If registration PRIOR to infringement, then can seek:

attorneys fees

• statutory damages up to US\$150,000 per infringed work

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## **Trademarks**



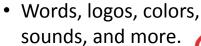
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#### **Trademarks**

- Protects your BRAND
- Identifies a <u>source of</u> <u>origin</u> of goods and services









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# Trademarks:

# What you need to know NOW

- Choosing a name:
  - Fanciful (easiest to protect)
    - MORROWIND for a role-playing game
  - Arbitrary
    - APPLE for hand-held units for playing electronic games
  - Suggestive
    - · WORLD OF WARCRAFT for virtual world game
  - Descriptive (difficult to protect)
    - FLIGHT SIMULATOR for flight simulation game
  - Generic mark (never protectable)
    - VIDEO GAME for a video game
- Avoid generic, descriptive, geographical, and personal names
- Fanciful, Arbitrary, or Suggestive are best

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#### **Trademarks:**

#### What you need to know NOW

- Trademark Registration
  - Obtain a trademark search (optional)
    - File an "intent-to-use" trademark application
    - Can reserve rights up to THREE YEARS until you begin <u>actual use</u> of the mark
    - Protection throughout the entire U.S.
- Cost
  - US\$ 1,000 US\$2,500+, depending on search, number of channels of trade in which protection is desired
- Scope of protection/Test for infringement
  - Likelihood of confusion with another mark

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#### **Patents**



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#### **Patents**

- Protect inventions (i.e., ideas!)
  - Technology
    - e.g., audio/video processing techniques
  - User Interface
  - Support programs
    - e.g., matchmaking, statistics, level editors
  - Hardware
    - E.g., console, game controller, etc.
  - Game methods, goals and objectives
    - E.g., method of scoring points

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#### **Patents**

- Duration:
  - about 17 years
  - Protection begins when patent issues, and lasts until 20 years from earliest filing date
- How:
  - Patent application containing detailed description of invention <u>enabling</u> someone of ordinary skill in the art to make and use the <u>best mode</u> of the invention known to the inventors.
  - Include claims defining the scope of the invention
  - USPTO examines claims for novelty and nonobviousness (aka, inventive step)

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#### Patents: U.S. grace period

- 1-year grace period in U.S. triggered by:
  - Public use in the USA
    - Includes any commercial use, even if secret
    - · Limited exception for experimental use
  - Offer for sale in the USA
    - · Even if the offer is rejected
  - Printed publication anywhere in world
- Other countries have no grace period
  - Any public use destroys patent rights in most foreign countries

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## Patent Example

- U.S. Pat. No. 6,604,008
  - A method comprising
     "(b) awarding points to
     the player as a function
     of the player
     successfully performing
     a subjective style
     feat..."
- Project Gotham Racing by Microsoft.



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## **Utility Patent Examples**

- RE 28,507 PONG!
- U.S. 7,077,749 Weather simulation in MS Flight Simulator
- 6,641,481 MS quitters play together patent
- 6,132,314 Namco's rowing arcade game
- 6,261,179 StarFox allows user to select level
- 6,733,383 EA caution periods in auto-race simulations
- 6,695,694 Konami Dance Dance Revolution arcade game
- 6,764,402 Pokemon
- 6,935,954 Sanity level in a video game
- 6,729,954 Dynasty Warriors
- 6,923,717 Adrenaline rush in sports games



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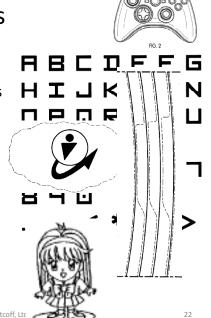


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#### **Design Patents**

- Design Patents
  - Hardware Designs
  - Software Designs:
     Any image
     displayed on a
     display screen
    - Icons
    - Fonts
    - Graphical User Interfaces
    - Characters



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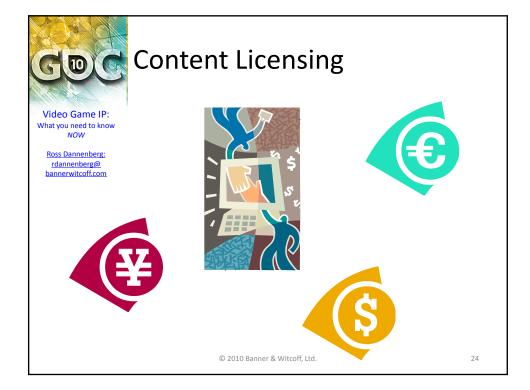
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#### Patents:

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- · Time limitations for applying for patents
  - 1-year grace period in U.S.
  - No grace period in most other countries
- Cost (most expensive form of IP)
  - Filing: US\$10,000 US\$15,000 immediately
  - Prosecution: US\$5,000 US\$15,000 w/in 2-4 years
  - − Maintenance: US\$3,750 \$7,600 in 6 − 14 years.
- Self help?
  - Not recommended
- Enforcement
  - Patent litigation is expensive, but can be very lucrative...
     some companies even bet the company on a single case.

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# **Content Licensing**

- Avoid infringing works you reasonably should know are protected by intellectual property
  - Copyrights
    - Music
    - Characters/Artwork
    - Plot/Script
    - · Game engine
  - Trademarks
    - Logos/Product Placement
    - In-game advertising
  - Patents
    - · Methods of game play
    - Special hardware or user interface

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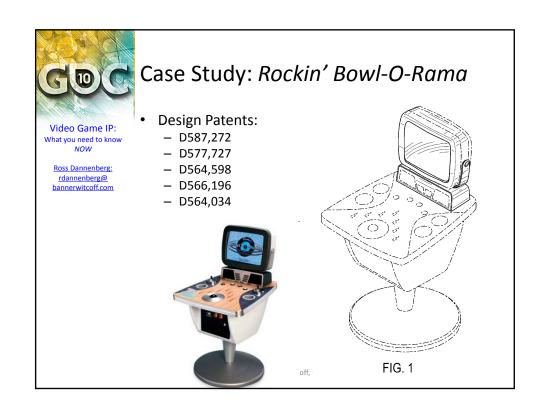




- Bowling game
- Developer:
  - Cosmodog, Ltd.
- IP Protection:
  - Patents
  - Copyrights
  - Trademarks
  - Licensing

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#### Case Study: Rockin' Bowl-O-Rama

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U.S. Patent 7,549,929 (23-Jun-2009)

- "Determining a bowling game score"
- Claim 1: A method for scoring a bowling game, the method comprising:
  - determining a first time at which a first bowling ball reaches a predefined location in a bowling lane;
  - determining a second time at which one or more pins knocked down by the first bowling ball have fallen; and
  - determining a first bonus score based on a difference between the first time and the second time.

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#### Case Study: Rockin' Bowl-O-Rama

- Trademarks
  - TRICK SHOT
    - Reg. No. 3,290,084
    - Arcade-type electronic video games
  - TEN PIN POKER
    - Reg. No. 3,478,703
    - Non-wagering arcade-type electronic video games (based on agreement with third party)

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Case Study: Rockin' Bowl-O-Rama

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- Trademark License
  - ROCK 'N' BOWL, Reg. No. 1,850,925
- Music Licenses
  - In-game jukebox with "shuffle" feature
  - Thirty (30) tracks from EMI, Sony/ATV, and others
  - Songs from artists including Fats
     Domino, Little Richard, Dee Clark, Bobby
     Lewis, Wanda Jackson, and more.

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# Average (mean) Costs of Enforcement

Through end of Discovery:

J	,		
	<\$1M	\$1M-\$25M	>\$25M
Trademark	\$214K	\$503K	\$1.008M
Copyright	\$195K	\$479K	\$951K
Patent	\$498K	\$1.794M	\$3.731M

Inclusive, all costs:

	<\$1M	\$1M-\$25M	>\$25M
Trademark	\$384K	\$857K	\$1.746M
Copyright	\$366K	\$826K	\$1.696M
Patent	\$967K	\$3.109M	\$6.250M

Source: AIPLA Report of the Economic Survey 2009

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