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## The Year in Video Game Law


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# The Year in Video Game Law

*Speaker:*  
*Professor W. Keith Robinson\**

**INTRODUCTION BY PROFESSOR XUAN-THAO NGUYEN,  
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**Professor Nguyen:** Good morning, I am so *pleased* to be able to hold this pamphlet of the past year's cases in my hands. Every year at this symposium you get a copy of the cases from the previous year. This is the result of hard work from law students. And for this particular year—the review of 2011 cases—two of my best students, Ken Jordan and Robert Wilkinson, put numerous hours into preparing this packet. There is something special about law students in general. Nowadays, we are training students, not only in intellectual property law but also in drafting contracts and conducting due diligence for acquisitions. What I am trying to tell you is hire them! I remember Ted Price talking about the X, Y, and Z generations, and the law students today are the Y generation. They grew up with the internet from a very early age, and they understand Facebook much better than most people do. In fact, they even update their Facebook statuses before they study for finals. So, with that knowledge, you can see that they have a strong understanding of video game law as well.

With that said, the reason why we have such wonderful students is because we have professors like Professor Keith Robinson. Professor Robinson will speak this morning on the review of the 2011 updates in gaming law. Professor Robinson came to SMU from Duke University where he was an electrical engineer. Thereafter, he went to work in the technology industry for several years, including in the gaming industry. After several years, he returned to Duke University Law School and earned his Juris Doctor. Professor Robinson spent the next six years in Washington, D.C. at the law firm of Foley & Lardner where he was the type of patent attorney that listened to the inventors, listened to the innovators, interviewed the clients in depth, and strategically figured out how to patent innovations and how to explore and monitor intellectual property. With that background, Professor Keith Robinson will give us a review of the videogame cases of 2011.

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**Professor Keith Robinson:** Thank you Professor Nguyen for that great introduction. Good morning, everyone. I am very happy and pleased to be a part of this program. It is something that I heard about even before I became affiliated with SMU. I think it is a terrific program, and the information that is exchanged is very valuable. Over the course of the past few months I have spent a significant amount of time reviewing not only the court decisions that were released in 2011, but also the significant number of lawsuits that were filed last year. There is a significant amount of information that we can glean from both the litigation and court decisions. What I want to do is provide you with the answer to three questions that this information and these decisions suggest. The first question is who or what can I safely depict in my games? The second question is what is the patenting landscape for games going forward in 2012? The third question is what are some of the preeminent legal challenges facing social gaming moving forward in 2012?

Let's start with publicity rights. There are three important cases I want to talk about concerning publicity rights that were decided in 2011 having to do with sports, guns, and rock and roll. The first case is *Hart v. Electronic Arts*.<sup>1</sup> In this case, the plaintiff, Hart, was a former football player for Rutgers University, a quarterback.<sup>2</sup> He brought suit against Electronic Arts (EA) for the depiction of his likeness in EA's NCAA Football title.<sup>3</sup> Hart argued that in the NCAA football game the quarterback that was depicted had all of his attributes.<sup>4</sup> He was the same height as Hart; he was the same weight as Hart; his eye and hair color were the same; his facial features were the same; and even the detail in the accessories that he wore on his uniform were similar.<sup>5</sup> For example, the way Hart wore his wristband when he played football was also the way the quarterback was depicted in the game.<sup>6</sup> In response, EA argued that its use of Hart's likeness was protected under the First Amendment.<sup>7</sup> EA argued that while it did use his likeness initially, there were several features in the game that allowed players to change how he looked.<sup>8</sup> The game gave players the ability to go in and start with Hart as a raw material and then change his hair color, his facial features, and modify how he wore his uniform.<sup>9</sup> The court agreed with EA's argument.<sup>10</sup> The court found that, under the First Amendment, EA's use of Hart's likeness

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1. *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757 (D.N.J. 2011).

2. *Id.* at 760.

3. *Id.*

4. *Id.* at 763.

5. *Id.*

6. *Hart*, 808 F. Supp. 2d at 763.

7. *Id.* at 768.

8. *Id.* at 783.

9. *Id.*

10. *Id.* at 787.

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was protected.<sup>11</sup> The court said that such use was transformative use of Hart's image, and was protected under the First Amendment.<sup>12</sup> Therefore, EA succeeded in effectively defending its title in that case.

The second case that I want to talk about has to do with the band No Doubt and its participation in the game *Band Hero*, published by Activision.<sup>13</sup> In this game, *Band Hero* licensed the use of No Doubt's image and its songs to be used in the game.<sup>14</sup> No Doubt even agreed to come in and wear image capture suits so that they could be accurately depicted in the game.<sup>15</sup> However, once the game was complete, No Doubt discovered a feature included in the game that allowed a player to "unlock" the band members.<sup>16</sup> This feature allowed the player to use the band members to sing different songs—songs that No Doubt does not sing—and it also allowed the player to break up the band and use the band members individually.<sup>17</sup> No Doubt brought suit claiming that this was outside the scope of the licensing agreement.<sup>18</sup> In this case, again, Activision, in response, relied on the First Amendment.<sup>19</sup> Activision argued that use of the band No Doubt in this game was protected under the First Amendment.<sup>20</sup> However, in this case, the court did not side with Activision's First Amendment argument.<sup>21</sup> In reaching its conclusion, the court looked at the fact that in the game there was no way to transform any of the images of the No Doubt band members.<sup>22</sup> Players could not change any of their attributes.<sup>23</sup> Thus, when a player picked Gwen Stefani, the player must use Gwen Stefani.<sup>24</sup> There was no way to change her hair color, the outfit that she had on, or any of those things.<sup>25</sup> The court

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11. *Hart*, 808 F. Supp. 2d at 787.

12. *Id.*

13. *No Doubt v. Activision Publ'g, Inc.*, 192 Cal. App. 4th 1018, 1022 (Cal. Ct. App. 2011).

14. *Id.* at 402.

15. *Id.*

16. *Id.*

17. *Id.*

18. *No Doubt*, 192 Cal. App. 4th at 400.

19. *Id.* at 406.

20. *Id.*

21. *Id.* at 409–10.

22. *No Doubt*, 192 Cal. App. 4th at 409–10.

23. *Id.* at 410.

24. *Id.*

25. *See id.* at 410.

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ruled such use was not the type of transformative use that was protected under the First Amendment.<sup>26</sup>

Finally, let's talk about guns. In *Dillinger v. EA*, the estate of the famous American gangster John Dillinger brought suit against EA for the use of his name, Dillinger, in association with a Tommy gun used in EA's *Godfather* games.<sup>27</sup> The Dillinger estate argued that this was an unauthorized use of the Dillinger name.<sup>28</sup> In response, EA again argued that its use of "Dillinger" was protected under the First Amendment.<sup>29</sup> In analyzing this case, the court looked at a First Amendment test called the "Rogers Test."<sup>30</sup> The court found that while there is a relationship between Dillinger, a Tommy gun, and a gangster depiction, such as *Godfather*, a consumer is not going to be confused or misled by the use of the name Dillinger and think that Dillinger is authorizing or sponsoring the game *Godfather*.<sup>31</sup> Again, EA succeeded in this case under the First Amendment.<sup>32</sup>

Now, briefly, let's turn to the patent landscape. In the gaming world, you have what is called a non-player character, or NPC. They are friendly guys that you find throughout massively complex multiplayer online games, or MMO's. These characters give you things to do, such as tasks to perform, and may give you a prize, such as gold, in return.

In the patenting realm, we have non-practicing entities, or NPEs. For the non-practicing entity, the business model is to collect and license their technology to others. The reason why we call them NPEs is because they generally do not make or use any of the technology on which they own patents. There is nothing legally wrong with this, and there are some good NPEs out there. Two of the most famous NPEs are Walker Digital and Lod-Sys, which were very active in 2011. Walker Digital sued over one hundred companies for patent infringement.<sup>33</sup> One of its premiere patents, included in its patent portfolio, is a patent for online game tournaments.<sup>34</sup> As you can imagine, there are a number of game creators that were sued alleging in-

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26. *Id.*

27. *Dillinger, LLC v. Elec. Arts Inc.*, 795 F. Supp.2d 829, 831 (S.D. IN. 2011).

28. *Id.*

29. *Id.* at 837, n. 9.

30. *Id.* at 837.

31. *Id.*

32. *Dillinger*, 795 F. Supp. 2d at 837.

33. Neil Magnuson & Robert Van Arnam, *Walker Digital Enters the Game: Recent Trend of Patent Infringement Suits Against Activision, Blizzard, Microsoft, Electronic Arts and other Video Game Companies*, Williams Mullen (May 26, 2011), <http://www.williamsmullen.com/walker-digital-enters-the-game-05-26-2011/>.

34. U.S. Patent No. 6,425,828 (filed Jan. 24, 2001) (issued July 30, 2002).

fringement of that patent.<sup>35</sup> That litigation is ongoing, and we are watching it closely in 2012 to see where it goes.

In addition, there is an NPE called LodSys. What is interesting about LodSys is that the company recently sued mobile game developers that published their games in Apple, Inc.'s App Store, and Apple, Inc. involved itself in the lawsuit.<sup>36</sup> The reason Apple got involved is because Apple is the licensor for some of the patents that LodSys is asserting against its developers.<sup>37</sup> Basically, Apple said to LodSys, "Look you cannot be suing our developers who are making these games and selling them in the App Store."<sup>38</sup> As it stands now, the litigation is ongoing, and it is unclear whether Apple's relationship with LodSys is going to have any legal effect on the lawsuits between LodSys and these application developers.<sup>39</sup> Again, this is something to watch very closely.

Now, there is a silver lining regarding NPEs—the recent America Invents Act (AIA) passed last year.<sup>40</sup> A provision in the AIA leads commentators to believe that the AIA will limit the ability of NPEs to sue several defendants at once.<sup>41</sup> We think we will see targeted litigation against select entities instead of this wholesale litigation where you sue about one hundred defendants and drag them all into court.<sup>42</sup>

Next, let's look at the social gaming realm. The Learning Company sued Zynga, Inc. (Zynga) this year over the game, *The Oregon Trail*.<sup>43</sup> The lawsuit alleges that The Learning Company owned *The Oregon Trail* and approached Zynga about creating a Facebook version of the game.<sup>44</sup> The Learning Company shared their plans and marketing materials for the game, but somewhere along the way, conversation and discussions about the prod-

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35. Magnuson and Arman, *supra* note 33.

36. *Lodsys, LLC v. Brother Int'l Corp.*, No. 2:11-cv-90-JRG, 2012 WL 760729, at \*1 (E.D. Tex. Mar. 8, 2012).

37. Neil McAllister, *Lodsys vs. developers: Can Apple save the day?*, InfoWorld Blog (June 2, 2011), <http://www.infoworld.com/d/application-development/lodsys-vs-developers-can-apple-save-the-day-811>.

38. *Id.*

39. *See Lodsys*, 2012 WL 760729, at 1; McAllister, *supra* note 37.

40. America Invents Act of 2011, U.S. House of Representatives Committee on the Judiciary, [http://judiciary.house.gov/issues/issues\\_patentreformact2011.html](http://judiciary.house.gov/issues/issues_patentreformact2011.html) (last visited Apr. 7, 2012).

41. Ruth Rivard, *Section 19: Jurisdiction and Procedural Matters*, Patent Reform (Jan. 10, 2012), <http://americainventsact.com/section-19-jurisdiction-and-procedural-matters/>.

42. *See id.*

43. Complaint at 1, *Learning Co. v. Zynga, Inc.*, No. 11-10894, 2011 WL 1938605 (D. Mass. May 18, 2011).

44. *Id.* at 3-4.

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uct broke off.<sup>45</sup> A few months later, Zynga offered an extension for its FrontierVille game, which it calls FrontierVille's Oregon Trail.<sup>46</sup> The Learning Company promptly sued Zynga for trademark infringement.<sup>47</sup> This lawsuit is also pending, ongoing, and something we are watching carefully. The last time I checked, Zynga's Frontierville's Oregon Trail had changed its name to The Pioneer Trail.<sup>48</sup>

Finally, SocialApps also sued Zynga for allegedly stealing its Farmville game from SocialApps.<sup>49</sup> In this case, SocialApps entered into discussions with Zynga due to Zynga's interest in acquiring SocialApps's Facebook game, MyFarm.<sup>50</sup> Through the course of discussions, SocialApps shared source codes from the MyFarm game with Zynga under a confidentiality agreement.<sup>51</sup> Soon thereafter, Zynga released their FarmVille game.<sup>52</sup> We believe the ongoing litigation may have significant implications here.

To answer the three questions I posed at the beginning of my presentation, copying or cloning games in the social space will continue to be a major challenge for social games. As recently as yesterday, there was an article on Gamasutra about a small iPhone developer, the winner of the iPhone game-of-the-year award, who is now asserting that Zynga stole its game and created a Facebook version.<sup>53</sup> This is happening as we speak. This is a major challenge from a legal standpoint because attorneys will need to be creative in how they counsel clients regarding how clients can protect their IP in this space.

Second, NPEs will continue to exist, and they will continue to acquire numerous patents. However, because of the AIA, they will become more selective about their targets. NPEs will continue to selectively target for patent infringement game creators and the creators of game peripherals used in games.

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45. *Id.* at 4–5.

46. *Id.* at 7.

47. *Id.* at 1.

48. Joe Osborne, *Frontierville Oregon Trail becomes 'Pioneer Trail' after community vote*, Games News.com (June 9, 2011, 3:25pm), <http://blog.games.com/2011/06/09/frontierville-oregon-trail-pioneer-trail/>.

49. Complaint at 4, SocialApps, LLC v. Zynga, Inc., No. SAV11-00919-CJC (MLGx), (C.D. Cal. Jun. 17, 2011), *available at* <http://docs.justia.com/cases/federal/district-courts/california/candce/5:2011cv04910/246566/1/0.pdf?ts=1318958223>.

50. *Id.* at 4.

51. *Id.*

52. *Id.* at 5.

53. Kris Graft, *Zynga accused of cloning hit indie iPhone game Tiny Tower*, Gamasutra (Jan. 25, 2012), [http://gamasutra.com/view/news/39831/Zynga\\_accused\\_of\\_cloning\\_hit\\_indie\\_iPhone\\_game\\_Tiny\\_Tower.php](http://gamasutra.com/view/news/39831/Zynga_accused_of_cloning_hit_indie_iPhone_game_Tiny_Tower.php).

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Third, as to the question of who or what I can depict in my game, the jury is still out on that one. There is a case in the Northern District of California, *Keller v. EA*, involving NCAA football.<sup>54</sup> A college football player brought a lawsuit against EA alleging EA had misappropriated his likeness in its game.<sup>55</sup> The district court held that EA was not protected under the First Amendment and that its use of the player's likeness was not transformative and protected under the First Amendment.<sup>56</sup> The case was appealed, and the appeal was heard this year, but a decision is still pending in the case.<sup>57</sup> Also earlier this year, EA instituted a lawsuit against an aircraft manufacturer in response to the aircraft manufacturer's alleged threats to sue EA for depiction of one of its aircraft in EA's *Battlefield 3* game.<sup>58</sup> That lawsuit commenced in January 2012 and is another case we will continue to watch.<sup>59</sup>

Thus, the question of what can be depicted from the real world in a game remains unsettled. However, many commentators believe that in light of *Brown v. Entertainment Merchants Association* videogame creators and developers have been strengthened in the sense that the case gives videogames full protection under the First Amendment, and it will also strengthen video games' defenses under the First Amendment.<sup>60</sup>

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54. *Keller v. Elec. Arts, Inc.*, No. C 09-1967, 2010 WL 530108 (N.D. Cal. Feb. 6, 2010).

55. *Id.* at 1.

56. *Id.* at 5.

57. Daniel Diskin, *Keller v. EA Case Involving Right of Publicity Issue Before Ninth Circuit*, Copyright & Trademark Blog (Aug. 10, 2011), <http://copymark-blog.com/2011/08/10/Keller-v-ea-case-involving-right-of-publicity-issue-before-ninth-circuit/>.

58. *Elec. Arts, Inc. v. Textron, Inc.*, No. 12CV00118, 2012 WL 30982 (N.D. Cal. Jan. 6, 2012).

59. *Id.* at 1.

60. *Brown v. Entm't Merchs. Assoc.*, 131 S. Ct. 2729, 180 L.Ed.2d 708 (2011) (holding that "video games qualify for First Amendment protection[;] . . . [that new categories of unprotected speech may not be added outside of] government restrictions on expression, [such as] obscenity, incitement, and fighting words[; and that] California failed to satisfy [its] burden of showing either that [its] law [restricting the sale or rental of "violent video games"] was justified by compelling government interest, or that law . . . was narrowly drawn to serve that interest.").



