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IP FRONTIERS

What's in a game: Intellectual property protection for the gaming industry

I have come across several smaller gaming companies that say they have never explored Intellectual Property (IP) protection. Typically, I respond with some examples of things they could be protecting. The reactions run the gamut from panic to interest to a glassy-eyed stare. This article will address the various types of IP protection that may be available to a gaming company.

One seriously under-utilized type of intellectual property protection is design patents. In fiscal year 2017, over 600,000 utility patent applications were filed, while less than 44,000 design patent applications were filed. Design patents are directed to an ornamental design applied to an end product—for example, certain design aspects of websites, including gaming sites, such as screens, icons or design elements of a character or scene.

However, design patents cannot be directed to functional aspects of an end product, such as a shape for easier gripping; that is the purview of utility patents. For gaming, consideration should be given as to whether the subject of the design patent may still be in use after expiration of the patent term. If so, weigh the protection against the result after expiration, namely, dedication to the public. If granted, design patents have a lifespan of 15 years from grant in the U.S.

For games selling outside the country, foreign design patent protection is available in most countries. If a design patent application is first filed in the U.S., a six-month window exists in which to file foreign applications and claim priority to the U.S. filing. The same is true for other countries that are signatories to the Hague Agreement, which provides a central repository for design applications, serving to reduce those costs in most cases versus filing in individual countries, much the same way the Patent Cooperation Treaty (PCT) does for utility applications. Design patents cost less than utility patents—typically less than half the cost of utility applications.

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Utility patents are most likely what people think of as "patents"; they are directed to new and non-obvious inventions, such as pharmaceuticals, automobiles, kitchen gadgets, exercise equipment and computer-related inventions, to name a few. Utility patents have a lifespan of 20 years from filing, but may be longer if the Patent Office materially delayed prosecution, usually due to a backlog of cases. Utility patents are generally inapplicable to gaming, except for any hardware (e.g., consoles or controllers), graphics cards or possibly software that improves performance of the game.

Federal trademark/service mark registrations protect things like a logo or game title where the game is sold outside the gaming company's state of residency to a customer in another state or outside the country and/or online. However, color, sound (excludes voices) and designs serving as trademark/service marks may also be eligible for federal protection. Registered trademarks/service marks have an unlimited lifespan, provided that post-registration maintenance (e.g., renewal) is timely performed.

Copyright protects aspects such as computer code, illustrations, stories, characters and music. Larger gaming companies routinely register works for copyright, but smaller gaming companies too often let this go. However, copyright does not protect an idea; it protects the expression of an idea from copying, the expression embodied in the words used, computer code, etc. Gaming companies may also have other works that may be copyrightable, including brochures, advertising and webpages.

The term of copyright is not as straightforward as the other types of intellectual property. For works created after Jan. 1, 1978, and depending on the type of work, the term of copyright will be the life of the author plus 70 years or the shorter of 95 years from first publication and 120 years from creation of a work. The term for works created prior to this timeframe is more complicated to determine.

Trade secrets refer to valuable information that may give a gaming company a competitive advantage, for example, computer code not literally revealed or obtainable via reverse engineering (e.g., reverse compiling an executable), along with things like strategic planning documents or information regarding an upcoming game not yet made public. Trade secrets have no specified lifespan and historically have been governed under state law. However, as the name implies,

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trade secrets will only be treated as such to the extent a gaming company takes prudent measures to ensure secrecy. State laws may differ on what measures to take, but steps such as having employees sign confidentiality agreements, keeping the information in a secure location, and providing access on a need-to-know basis are common.

In 2016, the Federal Defend Trade Secrets Act (DTSA) was implemented, allowing trade secret owners to sue in federal court if the trade secret is used with interstate or foreign commerce. The DTSA does not preempt the state laws, so that remains an option. Notably, the DTSA uses a broad definition for what constitutes a trade secret, as well as what constitutes "misappropriation" of a trade secret.

You might wonder why a gaming company would want to seek any of these intellectual property protections. Intellectual property is an asset, just like office equipment or furniture, that generally adds value to the business; think sale or licensing value. There are as many reasons to seek intellectual property protection as there are gaming companies. However, one common reason is to combat copying by others, including those located abroad. This is particularly true in the software and gaming industries where copying takes sales or subscription fees away from the authors/owners. You invest a lot in your intellectual property, so invest in protecting it.

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