Pauline Newman IP American Inn of Court General Meeting – November 19, 2024 Meeting Notes.

Location: United States Patent and Trademark Office, Madison Building, Clara Barton Auditorium, in Alexandria, VA.

Social Hour began at 6pm, Formal program began at 7pm.

Tonight's formal program was entitled "The Age of Entertainment - Historical Perspectives: How the video game industry's rise has impacted Intellectual Property Law"

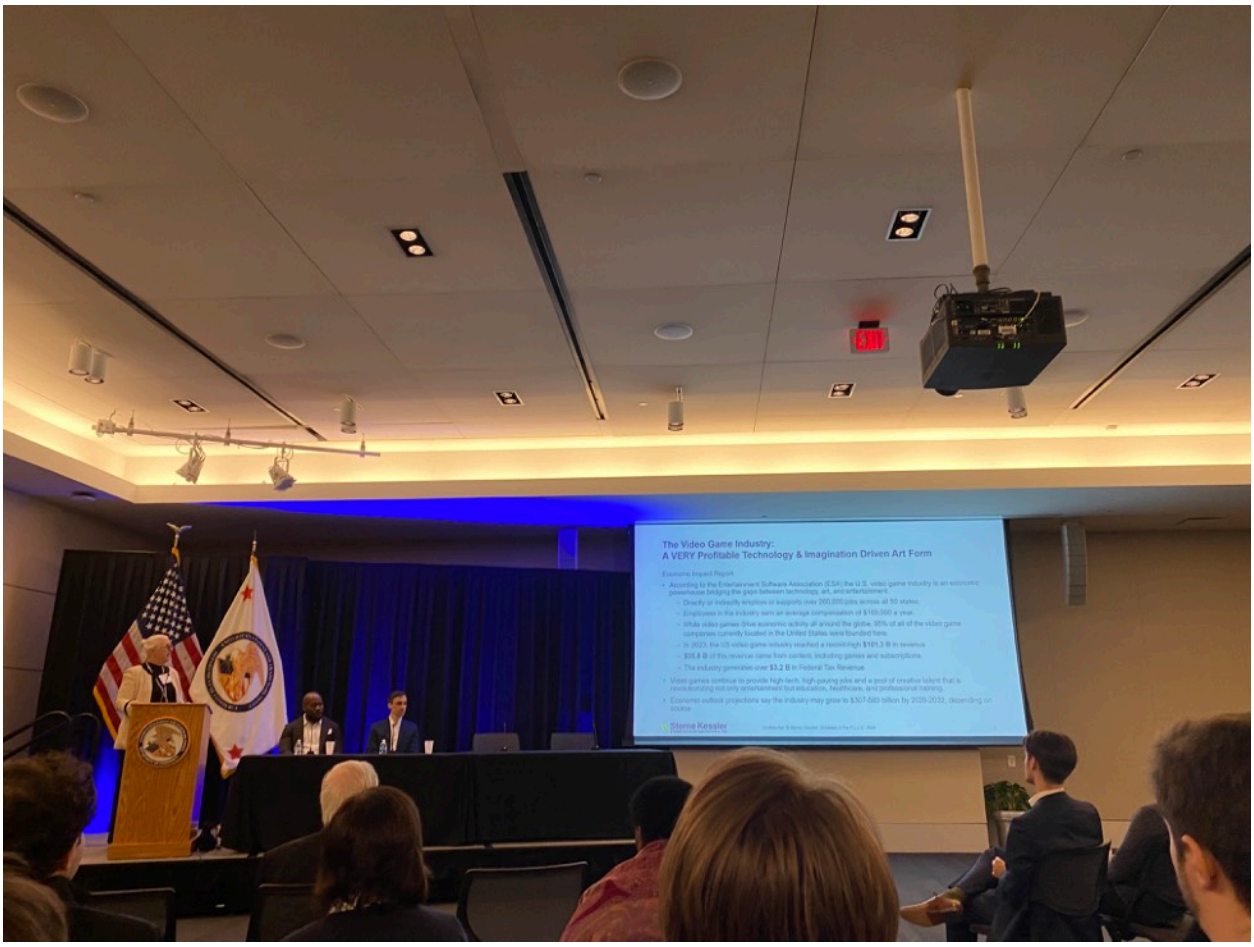
Presented by: Jessica Harrison, along with Thomas and Marc-Anthony Armand.

Jessica Harrison is Counsel at Stern Kessler and an expert in video game IP law.

Her colleague Marc-Anthony Armand is an Associate at Stern Kessler and a former USPTO examiner. Thomas Baraldi is also an Associate at Stern Kessler.

Jessica began the presentation relating her own journey to practicing in video game IP law, beginning as a child playing Atari's classic game of video pong. She would develop her interest in video games throughout her youth, and after college, would go on to interview with the USPTO in 1987 to become a patent examiner in the video game technology field. After being an examiner for 18 years in the video game art unit, Jessica would go on to become a supervisor in the art unit, and then a "CRU" (Central Reexamination Unit) examiner. In 2011, Jessica was studying in law school, and she left the USPTO in 2012 to become an attorney. Now, as Counsel at Stern Kessler, Jessica also teaches video game IP law as an adjust professor.

An ask for a show of hands for all those in the audience revealed easily a third of the audience considered themselves avid gamers. Indeed, the video gaming market is huge in the U.S., with the average video game employee earning $170K a year. The industry is bigger than the book, TV and music industry combined. California and Texas are the two biggest states in terms of video game development and production, but Washington state, South Carolina, and Florida all have large video game industry presence.



A video game law overview was then discussed, and in particular, that the video game market features a nexus of several different types of IP and business law including: business law, employment law, all forms of IP law, contract law, and constitutional law.

The presenting team then began to discuss the IP aspects of video game technology - highlighting where it has advanced trademark and copyright laws through the years. Part of the advancement in copyright law stemmed from the unique multiple forms of expression that video games embody: from dance moves, to music and other audio-visual works. While video games would apparently be audio visual works, they are distinct from movies, and thus, have their own unique set of IP concerns and interests.

In copyright law, the two seminal cases are (known as Atari I and Atari II, respectively): *Atari Games Corp. v. Oman*, 888 F.2d. 878 (D.C. Cir. 1989) and *Atari Games Corp. v. Oman*, 979 F.2d 242 (D.C. Cir. 1992), regarding an Atari game named "BREAKOUT" and whether a video game meets the creativity threshold to make them registrable as audiovisual works. An additional important third case was next discussed: *Atari, Inc. v. North American Philips Consumer Electronics Corp.*, 672 F.2d 607 (7th Cir. 1982), regarding the standard for idea vs. expression in video games. The 7th Circuit had applied the "ordinary observer test," and yet the court in this case relied also upon the merger doctrine to determine that a broadly characterized "gobbler chasing ghosts" from a "K.C. Munchkin" game substantially appropriated the Pac Mac character. As the video game industry developed, the courts initially struggled to apply known copyright doctrines to video games.

Video gaming trademarks was the next topic discussed. Main concerns in video game trademarks include genericide, and preventing "knock-off" games that trade off of well-known games and characters. Key cases in trademarks and video games include: *E.S.S. Enter't 2000 v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008), and *Rogers v. Grinaldi*, 875 F2d 994 (2d Cir. 1989). The primary issue in these cases involved the tension between creative first amendment freedoms and underlying trademark interests.

Next discussed was video game utility and design patents. Jessica shared with the Inn that she was the examiner responsible for issuing the first patent on the game boy game system, U.S. Patent No. 5184830, and from the experience examining such technology, garnered an understanding of what technology is patentable in a video game controller. For example, all aspects of hardware, accessories and improvements thereof are patentable. Although other forms of IP are increasingly becoming more important to the overall protection of video games, patents still hold great value, as evidenced by two cases: *GREE, Inc. v. Supercell Oy*, Case No. 2:19-cv-00200, E.D. Tx, and *Acceleration Bay LLC, v. Activision Blizzard Inc.*, Case No. 16-453-WCB (D. Del. April 28, 2024).

The tension between copyrights and patents in video games was discussed regarding U.S. Patent 5112051 to Darling et, al. (herein "Darling"). The Darling patent provided technology that allowed for players of an NES game to cheat. Fearing an impact to sales of NES cartridges, Nintendo sued Galoob Toys, the manufacturer of the device patented in Darling in the *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965 (9th Cir. 1992) case. In this case, the 9th Circuit ultimately found that the Darling patent's manufactured device "Game Genie" was not a derivative work, and favored a Fair Use defense asserted by Galoob.

Finally, regarding patents and video game technology, the *Aristocrat Technologies Australia PTY Ltd. v. International Game Technology*, 521 F.3d 1328 (Fed. Cir. 2008) case was discussed. In this case, the CAFC found all the claims of the slot machine patent at issue invalid for indefiniteness under 35 U.S.C. 112 for reciting means-plus-function claim terms that lacked a corresponding algorithm in the specification.

The last form of IP discussed in the presentation was Trade Secrets. In video gaming technology, damages and injunctive relief can be obtained from the tort of misappropriation of trade secret material under the Defend Trade Secrets Act (DTSA). One of the seminal cases in trade secrets and video games is *ZeniMax Media, Inc. v. Oculus VR, LLC.*, 166 F. Supp. 3d 697 (N.D. Tex. 2015). In *ZeniMax*, one of the co-founders of Oculus VR was found to have violated NDA with ZeniMax, and the jury awarded ZeniMax $500 million in damages.

The presentation ended with current issues to watch in the IP and video game space including game commercialization and monetization issues, how to protect games utilizing AI, how to protect games created by AI, evaluating whether video game playing video streamers (known as "Twitchers" for a common video game playing streaming platform Twitch) are copyright infringers, and data privacy issues including use of player data across borders.

The formal program ended, and the PNIAIC president gave the last words to close out the meeting.