PILLAR LEGAL

Clone Games on Trial: What U.S. Copyright Law Protects

U.S. TECH LAW UPDATE[1]

May 23, 2023

By: Greg Pilarowski | Chao Yu | Alexandra Ashbrook

Video games are complex works of art that combine abstract ideas such as gameplay and functions with expressive elements such as music, scripts, plots, art, characters, and source code. However, copycat games that imitate and copy one or more of these elements (often referred to as "game clones") pose a major challenge to video game developers. The development of a video game can require large investments of labor, time, and resources, which means game clones can cause significant economic harm to the rightful owners of the game. The U.S. copyright regime gives game owners the means to protect their intellectual property from unauthorized reproduction and their valuable investments associated therewith.

This article discusses the basics of U.S. copyright law as well as how copyright infringement and cloning is typically addressed by courts in the U.S. By looking to a variety of "clone game" cases to explore what U.S. copyright law does (and does not) protect, this article provides guidance on how game companies can stay on the right side of U.S. copyright law and what game companies can do if they discover an unauthorized clone of their game.

【博申津師事務所】

I. U.S. Copyright Law Basics

The basic framework for copyright law is enumerated in the Copyright Act of 1976 and protects original works of authorship fixed in any tangible medium of expression.[2] This protection extends to video game elements considered original and creative.

A. Obtaining Copyright Protection for Video Games in the U.S.

In the U.S., a copyright is automatically established as soon as a work is captured in a "tangible" medium (i.e., saved in a file, drawn, written down on paper, et cetera). Copyright registration is not necessary to obtain copyright protection for video games. However, registration is required to file a copyright infringement lawsuit (even if the infringement already

[1] This U.S. Tech Law Update is provided by Pillar Legal, P.C. (the "Firm") as a service to clients and other readers. The information contained in this publication should not be construed as legal advice, and use of this information does not create an attorney - client relationship between the reader and the Firm. In addition, the information has not been updated since the date first set forth above and may be required to be updated or customized for particular facts and circumstances. This U.S. Tech Law Update may be considered "Attorney Advertising" under applicable law. Questions regarding the matters discussed in this publication may be directed to the Firm at the following contact details: +1-925-930-3932 (San Francisco Bay Area office), +86-21-5876-0206 (Shanghai office), email: info@pillarlegalpc.com. Firm website: www.pillarlegalpc.com.

[2] See *Copyright Law of the United States (Title 17) and Related Laws Contained in Title 17 of the United States Code*, THE U.S. COPYRIGHT OFFICE (accessed Feb. 24, 2023) (the "Copyright Act"). The Copyright Act was enacted on October 19, 1976 and is contained in chapters 1 through 8 and 10 through 12 of Title 17 of the United States Code. See also Copyright Law of the United States § 102.

U.S. BAY AREA OFFICE 1990 NORTH CALIFORNIA BLVD. 8TH FLOOR | WALNUT CREEK, CA 94596 | T: +1 925 930 3932

SHANGHAI OFFICE KERRY PARKSIDE, 1155 FANGDIAN RD. 4TH FLOOR | PUDONG DISTRICT, SHANGHAI, CHINA 201204 | T: +86 21 5876 0206

WWW.PILLARLEGALPC.COM

occurred). In addition, if a game's copyright is registered before the infringement occurs, the copyright holder may also receive statutory damages in any such lawsuit (discussed further below).[3]

B. Duration of Copyright Protection

The duration of protection for works covered by U.S. copyright law has expanded significantly over the years but is complex due to changes in law. Generally, copyright protection lasts for the creator's life plus an additional 70 years.[4] However, most video games are created by companies and will be considered "works made for hire." In other words, the author of the game and holder of its copyright for purposes of U.S. copyright law is the company that hired the workers who created the game, not the workers who actually created the game. The duration of copyright protection for works made for hire is 95 years from first publication or 120 years from creation, whichever is shorter.[5]

C. Public Domain

Sometimes, certain works will not be covered by U.S. copyright law, in particular if the work is ineligible for copyright protection or the work's copyright has expired. These types of works are considered to be within the "public domain." Works within the public domain may be copied without permission, and therefore game developers may use these works (such as art or music) freely within their game.

The primary way that a work enters the public domain is if the copyright for the work expires.[6] For example, in 2023 Arthur Conan Doyle's *Sherlock Holmes* stories entered the public domain in their entirety, allowing anyone to use, share, and build upon his previously protected works.[7] Other ways a work might enter the public domain include if the copyright owner did not follow certain copyright renewal rules,[8] if the work was originally dedicated to the public domain by the creator, or if the work falls outside the scope of U.S. copyright law protection (such as short phrases, facts and theories, or works created by the U.S. government).

[3] The U.S. Copyright Office is responsible for all copyright registrations in the U.S. To register the copyright of elements of a game, the developer must submit an application form and a copy of the game to the U.S. Copyright Office. In addition, the applicant must also submit a registration fee of $45 USD for games created by a single individual outside of the scope of employment, and $65 USD for games created by a company. This process can be completed electronically at www.copyright.gov. For more information, see the following materials from the U.S. Copyright Office: *Circular 1: Copyright Basics*, *Circular 4: Copyright Office Fees*, *Fees*, and *Copyright FAQ's: Registering a Work*.

[4] *Circular 15A: Duration of Copyright*, U.S. COPYRIGHT OFFICE (accessed Feb. 27, 2023).

[5] *Circular 30: Works Made for Hire*, U.S. COPYRIGHT OFFICE (accessed Feb. 27, 2023).

[6] Due to changes in law over the years, determining whether the copyright for a particular work has expired can be complicated. As of the date of this U.S. Tech Law Update, works published in the U.S. before 1928 are within the public domain due to copyright expiration. More information on the expiration of copyright terms can be found here.

[7] Ty Roush, *Sherlock Holmes Enters the Public Domain – Here Are The Other Works Free To Use in 2023*, FORBES (Jan. 1, 2023).

[8] See *Welcome to the Public Domain*, STANFORD LIBRARIES (accessed March 9, 2023).

U.S. BAY AREA OFFICE 1990 NORTH CALIFORNIA BLVD. 8TH FLOOR | WALNUT CREEK, CA 94596 | T: +1 925 930 3932

SHANGHAI OFFICE KERRY PARKSIDE, 1155 FANGDIAN RD. 4TH FLOOR | PUDONG DISTRICT, SHANGHAI, CHINA 201204 | T: +86 21 5876 0206

WWW.PILLARLEGALPC.COM

D. Penalties for Copyright Infringement

The penalties for copyright infringement can be significant. In general, someone that infringes a valid copyright is liable for either (i) the copyright owner's actual damages and any additional profits received due to the infringement, or (ii) statutory damages. In some cases, a court will also award attorney's fees to the prevailing party.[9] We discuss both types of damages below.

(i) Actual Damages and Additional Profits

A copyright holder is entitled to recover the revenues that they would have received if they had sold or licensed the work to the infringing party (called "actual damages") and any profits earned by the infringer as a result of the infringement and that have not otherwise been considered in computing the actual damages.[10]

(ii) Statutory Damages

Actual damages and infringement profits are often difficult to calculate or are too small to justify bringing a lawsuit against the infringer. Helpfully, a copyright holder can sue for statutory damages rather than actual damages and infringement profits if the holder registered their copyright with the U.S. Copyright Office prior to the infringement or within three months after the first publication of the work.[11]

Courts have wide discretion in determining the amount of statutory damages for copyright infringement, and generally calculate such damages based on a number of factors, including the willfulness of the infringement, the degree of harm caused to the copyright owner, and the wrongful profits of the infringing party.[12] U.S. copyright law provides for a broad range of statutory damages that can be awarded at the discretion of the court, from $750 to $30,000 per work infringed. In cases where the infringement is found to be willful, the court can award up to $150,000 per work infringed.[13]

2. Clone Games – View from the Courts

Game developers may be liable for copyright infringement when copying or reproducing elements of another copyrighted game in their own game. Generally, U.S. courts have held that copyright law protects many elements of a video game, including but not limited to:

(i) Game code (including source code and object/machine code);

[9] *See* 17 U.S.C. § 505, which allows a court to award attorney's fees to a prevailing party.
[10] 17 U.S.C. § 504(b).
[11] See 17 U.S.C. § 412; see also 17 U.S.C. § 504(c).
[12] See *Bryant v. Media Right Prods.*, 603 F.3d 135 (2nd Cir. 2010).
[13] 17 U.S.C. § 504(c).

U.S. Bay Area Office 1990 North California Blvd. 8th Floor | Walnut Creek, CA 94596 | T: +1 925 930 3932
Shanghai Office Kerry Parkside, 1155 Fangdian Rd. 4th Floor | Pudong District, Shanghai, China 201204 | T: +86 21 5876 0206
www.pillarlegalpc.com

(ii) Characters;
(iii) Motion picture style trailers and other audiovisual works;
(iv) Graphic art assets;
(v) Text, transcripts, and storylines; and
(vi) Music and other sound recordings.

However, U.S. copyright law does not protect all parts of a game. Elements such as game ideas, mechanics, and rules are generally not protected by copyright, as well as any elements of a game generated entirely by artificial intelligence.[14] The distinction between what elements of a game are protected versus those that are not can be difficult to delineate. Below we summarize several general concepts that U.S. courts apply when determining what elements of a game are protectable under copyright law, and when certain elements infringe upon the copyright of another.

A. The Idea-Expression Dichotomy

Original expressions embodied in a game such as software code and graphical elements are protectable under copyright law.[15] However, copyright law does not extend to any ideas, procedures, processes, systems, methods of operating, concepts, principles, or discoveries, regardless of the form in which they are described, explained, illustrated, or embodied.[16] U.S. Courts refer to this difference in treatment as the "idea-expression dichotomy."[17]

Generally, a game that has similar ideas and principles to another game will not infringe upon that game's copyright.[18] Unfortunately, the standards for whether a game copies an idea or the expression of an idea are vague. In *Spry Fox, LLC v. LolApps, Inc.*, case no. C12-147RAJ (WD WA 2012), game company Spry Fox alleged that the game "Yeti Town" developed by LolApps infringed upon their copyrighted game "Triple Town".

A preliminary court opinion affirmed that a video game's "look and feel" might be protected by copyright, but the "ideas" upon which the game is developed are not. When LolApps moved to dismiss the case, the court concluded that the idea of a hierarchical game in which players create objects that are higher in the hierarchy by matching three objects that are lower in the hierarchy was not copyrightable. However, the court did find Spry Fox's creative expression of the game was protected under copyright, including an object hierarchy that progressed from grass to bushes to trees to houses and beyond, as well as other expressive elements such as the setting in a field or a meadow and antagonist "bots" with the power to destroy others.[19] After the court rejected LolApps' motion to dismiss, the companies settled and

[14] For more information, please see our U.S. Tech Law Update *Legal Considerations for Generative AI in Games* (Mar. 2, 2023).
[15] See *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1249 (3d Cir. 1983).
[16] 17 U.S.C. § 102(b).
[17] *Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222, 1234 (3d Cir. 1986).
[18] See *Data East USA, Inc. v. Epyx, Inc*, 862 F.2d 204 (9th Cir. 1988).
[19] See the court's opinion in *SpryFox, LLC v. LolApps, Inc.* here.

U.S. Bay Area Office 1990 North California Blvd. 8th Floor | Walnut Creek, CA 94596 | T: +1 925 930 3932
Shanghai Office Kerry Parkside, 1155 Fangdian Rd. 4th Floor | Pudong District, Shanghai, China 201204 | T: +86 21 5876 0206
www.pillarlegalpc.com

LolApps agreed to pay Spry Fox for the continued use of Triple Town's protected elements in Yeti Town.[20]

B. Certain Expressions Unprotectable: Merger and *Scènes à Faire* Doctrines

Occasionally, U.S. courts will hold that even expressions of certain ideas are not protected by U.S. copyright law under the doctrines of "merger" and "*Scènes à Faire*." With both doctrines, their application is highly fact-specific and depends on the circumstances of each case. In some situations, the expression may be sufficiently creative or original to warrant copyright protection, even if it is related to a basic idea or concept.

(i) Merger Doctrine

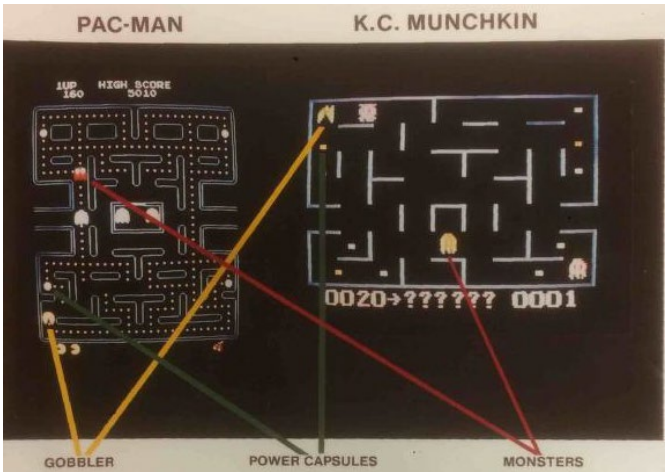
The merger doctrine is a principle of U.S. copyright law that indicates when there are only a limited number of ways to express an idea, then the expression of the idea merges with the idea itself, and therefore, the expression is not protected by copyright law. The merger doctrine recognizes that certain ideas and concepts are so fundamental and necessary to particular expression that they cannot be protected by copyright law. In other words, if an idea and its expression are so intertwined that they are inseparable, then the idea itself cannot be monopolized by the copyright owner. For example, in *MiTek Holdings, Inc. v. Arce Engineering Co.*, 864 F. Supp. 1568 (S.D. Fla. 1994), MiTek alleged that a design software developed by its competitor Arce infringed upon MiTek's copyright in its own design software by referencing the terms "up," "down," "left," and "right." The court found that there is only one way to express the idea of direction in the context of a design program, and therefore concluded that the idea and expression were "merged." This analysis applies to several video game elements that can only be expressed in one way, including the ideas of using arrows to indicate direction, a main menu, or a loading screen.

(ii) *Scènes à Faire* Doctrine

Similar to the merger doctrine, the *scènes à faire* doctrine is a principle of U.S. copyright law that indicates certain elements of a work that are deemed common, standard, or unavoidable in a particular genre or setting are not protected by copyright. The *scènes à faire* doctrine prevents copyright owners from monopolizing generic elements of a work that are necessary for the expression of a particular idea or concept.

[20] Dan Pearson, *6Waves and Spry Fox settle out of court*, GAMESINDUSTRY.BIZ (Oct. 12, 2012).

U.S. BAY AREA OFFICE 1990 NORTH CALIFORNIA BLVD. 8TH FLOOR | WALNUT CREEK, CA 94596 | T: +1 925 930 3932
SHANGHAI OFFICE KERRY PARKSIDE, 1155 FANGDIAN RD. 4TH FLOOR | PUDONG DISTRICT, SHANGHAI, CHINA 201204 | T: +86 21 5876 0206
WWW.PILLARLEGALPC.COM



The *scènes à faire* doctrine is well illustrated in the seminal case *Atari, Inc. v. North American Philips Consumer Electrics Corp*., 672 F.2d 607 (7th Cir. 1982). In this case, Atari claimed that Philips' video game "K.C. Munchkin!" infringed on Atari's copyright in its video game "Pac-Man." Atari argued that Philips had copied various elements of its game, including the game's layout, characters, and gameplay mechanics. The court applied the *scènes à faire* doctrine to determine whether these elements were protectable by copyright law. The court found that certain elements, such as the use of mazes and dots, were generic and common in this genre of video games, and therefore fell under the doctrine of *scènes à faire*. Note, however, that the court held that copyright law did protect several other non-essential elements of Pac-Man, including the Pac-Man character and the design of the ghosts.

C. Legal Test: Are Copyrightable Elements "Substantially Similar"?

When reviewing a claim for copyright infringement, a U.S. court will first determine which elements of the game are protected and which are not.[21] As discussed above, a court will not assign copyright protection to a game element where such element is merely an idea or unprotectable under the doctrines of merger or *scènes à faire*. After determining which elements of the game are protected under U.S. copyright law, the court will compare those elements to determine whether they are "substantially similar," taking the view of a general player of the games and concentrating on the games' overall features.[22]

To avoid a lawsuit, game companies should ensure that any copyrightable elements in their game are not "substantially similar" to other protected content. Even if a court decides that a game does not infringe upon another party's copyright, litigation in the U.S. is often expensive and time consuming. Although a plaintiff's claim may be weak, a copyright infringement case can result in significant hardship for a game company. Below are a few examples of illustrative copyright infringement cases brought against game companies in the U.S.

(i) *OG International v. Ubisoft*

In *OG Int'l, Ltd. v. Ubisoft Entertainment*, No. C 11-04980 CRB (N.D. Cal. Oct. 26, 2011), Ubisoft sought an injunction against OG International seeking to prevent the release of

[21] *Tetris Holding LLC v. Xio Interactive, Inc.*, 863 F.Supp.2d 394 (D.N.J. 2012).
[22] *Atari, Inc. v. North American Philips Consumer Electronics Corp.*, 672 F.2d 607 (1982) ("It has been said that this test does not involve 'analytic dissection and expert testimony,' but depends on whether the accused work has captured the 'total concept and feel' of the copyrighted work").

U.S. Bay Area Office 1990 North California Blvd. 8th Floor | Walnut Creek, CA 94596 | T: +1 925 930 3932
Shanghai Office Kerry Parkside, 1155 Fangdian Rd. 4th Floor | Pudong District, Shanghai, China 201204 | T: +86 21 5876 0206
www.pillarlegalpc.com

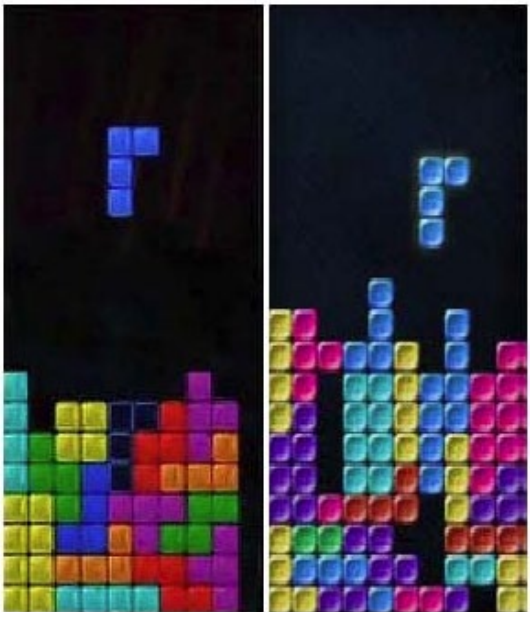
OG International's game "Get Up and Dance." Ubisoft created and distributes the "Just Dance" series of video games. Both games incorporated an "avatar" and an "instructor" that taught players how to perform certain choreographies, and in each game the avatars and instructor characters had white skin and wore brightly colored clothing. Ubisoft argued that the avatar and instructor characters in "Get Up and Dance" were substantially similar to its "Just Dance" characters and therefore violated Ubisoft's copyright in the expressive elements of its characters. The court analyzed the characters and found that they were not substantially similar because of differences in the characters' appearances, color choices, and facial features. As a result, the court denied Ubisoft's requested injunction and Get Up and Dance was released in the U.S. in November 2011 for Wii and PlayStation 3.[23]

Get Up and Dance


Just Dance 3

(ii) *Tetris v. Xio*

In *Tetris Holding LLC v. Xio Interactive, Inc.*, 863 F.Supp.2d 394 (D.N.J. 2012), Tetris claimed that Xio's video game "Mino" infringed on Tetris' copyright in the game "Tetris" by coping various elements of the game, including the gameplay mechanics and the "look and feel" of the game. The court looked at screenshots of both games side-by-side (right), and determined that without being told which is which, a common user could not decipher between the two games.[24] In its decision, the court stated that "if one has to squint to find distinctions" between the games, the court will determine that the protectable elements of the games are "substantially similar."[25]


Tetris Mino

[23] Mike Rose, *Court Denies Ubisoft Restraining Order Over Get Up and Dance*, Game Developer (Dec. 6, 2011).
[24] *Tetris Holding LLC v. Xio Interactive, Inc.*, 863 F.Supp.2d 394 (D.N.J. 2012).
[25] *Id.*

U.S. Bay Area Office 1990 North California Blvd. 8th Floor | Walnut Creek, CA 94596 | T: +1 925 930 3932
Shanghai Office Kerry Parkside, 1155 Fangdian Rd. 4th Floor | Pudong District, Shanghai, China 201204 | T: +86 21 5876 0206
www.pillarlegalpc.com

(iii) *Blizzard v. Lilith Games*

"Illidan Stormrage" from World of Warcraft

Facebook ad for Soul Hunters

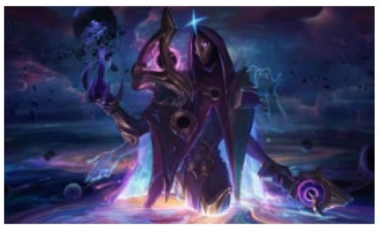
In a more recent case against Shanghai-based video game company Lilith Games, *Blizzard Entertainment, Inc., et al. v. Lilith Games (Shanghai) Co. LTD., et al.,* case no. 15-cv-04084-CRB (N.D. Cal. 2018), Blizzard alleged Lilith's games "Dota Legends", "Dot Arena", and "Soul Hunters" infringe upon its copyrights in certain elements across several Blizzard games (including "World of Warcraft", "DotA", "Hearthstone", and "Heroes of the Storm").[26] In its decision denying in part Lilith's motion to dismiss Blizzard's lawsuit, the court looked at comparisons of copyrighted elements in Blizzard's games to elements of Lilith's Soul Hunters. The court held that the comparisons provided by Blizzard alleging copyright infringement were plausible enough to deny Lilith's motion. In late 2018, Blizzard filed a motion to dismiss its claims against Lilith, presumably because the parties reached a settlement agreement, though they did not publicly announce a settlement.[27]

(iv) *Riot v. Moontoon*

In 2022, Riot Games, Inc. ("Riot") filed a lawsuit against Shanghai Moontoon Technology Co., Ltd. ("Moontoon") alleging that Moontoon's "Mobile Legends: Bang Bang" ("MLBB") infringed upon Riot's mobile game "League of Legends: Wild Rift" ("Wild Rift").[28] Although the case was later dismissed for jurisdictional reasons, comparisons of Wild Rift and MLBB remain useful to consider the degree of similarity that might lead to litigation.[29]

***Wild Rift's* Braum**

***MLBB's* Baxia**



***Wild Rift's* Dark Cosmic Jhin**

***MLBB's* Yve**

[26] *Blizzard Entertainment, Inc., et al. v. Lilith Games (Shanghai) Co. LTD., et al.*, case no. 15-cv-04084-CRB (N.D. Cal. 2018).
[27] Alex Nealon, *Heroes Charge into Copyright Battle*, PATENT ARCADE (Jul. 30, 2019).
[28] Read Riot's complaint against Moontoon here.
[29] Blake Brittain, *ByteDance's U.S. copyright lawsuit over 'League of Legends' duplicative, says judge*, REUTERS (Nov. 10, 2022).

U.S. BAY AREA OFFICE 1990 NORTH CALIFORNIA BLVD. 8TH FLOOR | WALNUT CREEK, CA 94596 | T: +1 925 930 3932
SHANGHAI OFFICE KERRY PARKSIDE, 1155 FANGDIAN RD. 4TH FLOOR | PUDONG DISTRICT, SHANGHAI, CHINA 201204 | T: +86 21 5876 0206
WWW.PILLARLEGALPC.COM

3. What Should You Do If Someone Infringes Your Video Game Copyright

Well before there is any opportunity for infringement to occur, developers should register their game copyright with the U.S. Copyright Office. Registering a copyright will allow the company to initiate a lawsuit against alleged infringement in U.S. courts and claim statutory damages (discussed above). However, even if a copyright is registered in the U.S., third parties still may seek to illegally use protected content. If you find another party is infringing your video game copyright, there are several practical steps that you can take to stop the infringement.

Because litigation in the U.S. can be costly and time consuming, first consider submitting a request to the applicable online game distribution platform or app store to remove or disable access to infringing content under the Digital Millennium Copyright Act (the "DMCA") (often called a "DMCA Takedown Notice"). To submit a DMCA Takedown Notice, you need to identify the infringing content and provide a detailed description of the copyrighted work that has been infringed and other information as required under the DMCA and the online game distribution service provider's policies. The DMCA places the burden on copyright owners to identify infringing materials, and the game distribution service provider is not obligated to remove materials if the DMCA Takedown Notice is not substantially compliant with the DMCA's requirements.[30] The online game distribution service provider is required under the DMCA to process legitimate DMCA Takedown Notices, promptly remove any infringing materials, and to terminate repeat infringers when appropriate.[31]

Once the infringing material is removed pursuant to a DMCA Takedown Notice, the platform typically notifies the uploader and provides them with an opportunity to file a counter-notice. If a counter-notice is submitted, the platform is obligated to forward it to you. If you receive any such counter-notice, you must initiate a lawsuit against the uploader for copyright infringement within 14 days, or the platform will be required to re-establish access to the allegedly infringing material.[32]

If you cannot submit a DMCA Takedown Notice or receive a counter-notice, you may want to file a lawsuit against the infringer in a U.S. court. As initiating a lawsuit requires registration of the copyright with the U.S. Copyright Office, you must first register your game copyright prior to bringing the action against the infringer.

[30] See 17 U.S.C. § 512(c)(3).
[31] *Ventura Content, Ltd. v. Motherless, Inc.*, 885 F.3d 597 (9th Cir. 2018).
[32] *DMCA Counter-Notice Process*, COPYRIGHT ALLIANCE (accessed May 8, 2023).

U.S. BAY AREA OFFICE 1990 NORTH CALIFORNIA BLVD. 8TH FLOOR | WALNUT CREEK, CA 94596 | T: +1 925 930 3932
SHANGHAI OFFICE KERRY PARKSIDE, 1155 FANGDIAN RD. 4TH FLOOR | PUDONG DISTRICT, SHANGHAI, CHINA 201204 | T: +86 21 5876 0206
WWW.PILLARLEGALPC.COM