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IP Rights in eSports: Maximizing Brand Control, Minimizing Infringement Risks

MONDAY, DECEMBER 21, 2020

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today's faculty features:

Tamany Vinson Bentz, Partner, **DLA Piper LLP**, Los Angeles, CA

Kimberly Culp, Director, **Carr McClellan P.C.**, Burlingame, CA

Chrissie Scelsi, U.S. General Counsel, **Wargaming (USA), Inc.**, Austin, TX

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Tamany Bentz

Kimberly Culp

Chrissie Scelsi



Tamany Vinson Bentz

DLA PIPER LLP

Los Angeles, California

Tamany.bentz@dlapiper.com

Kimberly Culp
Director
Carr McClellan P.C.



Ways to Connect:

- In the Office:
 - kculp@carr-mcclellan.com
 - 650-696-2509
- On Twitter: @culp
- On Insta: kculpamerlawyer
- On LinkedIn:





- Chrissie Scelsi
- U.S. General Counsel,
Wargaming (USA) Inc.
- @punklawyer on Twitter,
LinkedIn
- c_scelsi@wargaming.net

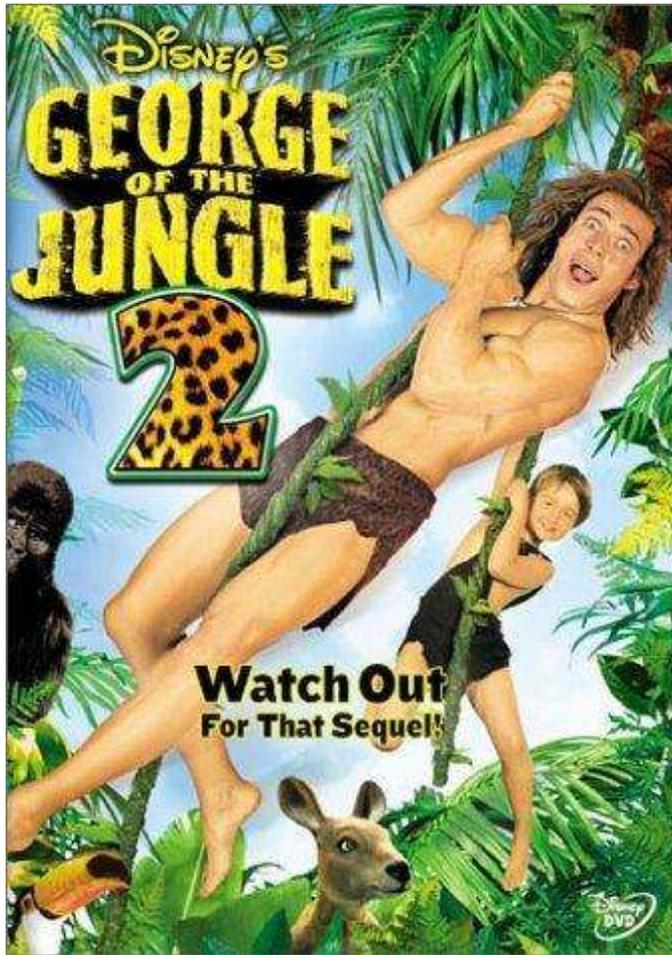
Trademarks

Trademark 101

DISTINCTIVENESS

FANCIFUL	ARBITRARY	SUGGESTIVE	DESCRIPTIVE	GENERIC
<ul style="list-style-type: none">• Wholly invented sign, symbol, word, or phrase• EXAMPLE: Kodak (for cameras)• Strongest Trademark and always protectable at the USPTO	<ul style="list-style-type: none">• A common word used in an unrelated context• EXAMPLE: Shipyard (for beer)• Strong trademark and protectable at the USPTO	<ul style="list-style-type: none">• A word or phrase that hints at a product tribute• EXAMPLE: Mobil (for gasoline)• Moderately strong trademark & generally protectable	<ul style="list-style-type: none">• Words that reflect the nature, quality, or contents of a product• EXAMPLE: Motel 6 (for hospitality services)• Weak Trademark & Not Protectable at the USPTO unless the Trademark acquires "secondary meaning"	<ul style="list-style-type: none">• A common term that fails to distinguish one product source from another• EXAMPLE Stout (for Beer)• Weak Trademark & Not Protectable at the USPTO

Caterpillar, Inc. v. Walt Disney Co.
287 F. Supp. 2d 913 (C.D. Ill. 2003)



Wham-O, Inc. v. Paramount Pictures Corp.
286 F. Supp. 2d 1254 (N.D. Cal. 2003)



E.S.S. Entertainment v. Rock Star Videos
547 F. 3d 1095 (9th Cir. 2008)



Trademarks in Esports

- Publisher IP and logos
- Team IP and logos
- Sponsor IP and logos
- Brand protection considerations- want consistency, quality in depictions
 - Be clear in contracts who will be responsible for creating, providing team jerseys, etc.
 - Revenue splits from sales



Faze Apparel, LLC v. Faze Clan, Inc.
2018 WL 3830027 (C.D. Cal. May 22, 2018)

- Faze Apparel (“FA”) is a casual men’s clothing brand, with a flagship store in San Francisco, selling its products in stores worldwide.
- FaZe Clan (“FC”) is an American eSports team.



Trademarks vs. User Generated Content

- Publisher has IP portfolio and rights that it wants to protect
- But it also has a community of fans that it wants to engage

TANKS ▾ COMMUNITY ▾ MY STATS STORE

OF TANKS FANSITE KIT

We are pleased to give you the opportunity to use your creativity and build your own World of Tanks fansite.

We've provided a variety of materials in a fan kit* to help create a fascinating fansite. We definitely welcome your feedback on the fan kit's content.

**A fansite kit is a set of various materials, including logos, images, screenshots, icons, wallpapers, etc. to help site owners establish a substantial fan source.*

In the specially created .zip archive, you'll find:

- Update/special event key art
- Weekend event art
- Logos
- Various original screenshots
- Tank tech trees
- Video trailers
- Exclusive Xbox and PS4 art

→ Download the World of Tanks Console Fankit ←

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EULA Approach to Fan Kits

- **9. Fan Websites**

- 9.1 This section relates to any fan web site that you may create or operate regarding any of our Games or Resources (collectively, “**Fansites**,” and each a “**Fansite**”).
- 9.2 At some of our Sites we expressly designate certain Content, such as Wargaming game-related images, graphics or artwork and trademarks, as being “**for fansite use**” (for example see: <https://worldoftanks.com/en/news/announcements/world-tanks-fansite-kit/>). In this EULA we refer to this specifically designated Content as “**Fansite Content**”.
- 9.3 Subject to the terms and conditions herein, Wargaming grants you a non-exclusive, revocable, personal, non-transferable and limited license to reproduce and display Fansite Content on Fansites owned and operated by you and solely for non-commercial purposes. This license is further conditional upon you complying with the following provisions:
 - 9.3.1 you acknowledge and agree that Wargaming retains ownership of the Fansite Content, and any and all derivative works thereof, and has the right to amend, delete, add to or otherwise modify, or to revoke the foregoing license with respect to, any items of Fansite Content at any time;
 - 9.3.2 you agree to include Wargaming’s trademark, copyright or other proprietary rights notices when displaying Fansite Content if we request you to do so and in the manner that we request you to do so;
 - 9.3.3 you agree to comply with any usage guidelines that we may provide to you from time to time;
 - 9.3.4 you shall not remove or alter any identifying information or copyright management information conveyed in connection with copies of Fansite Content, including in digital form, nor challenge Wargaming’s ownership (or the ownership of any third party) of the Fansite Content;
 - 9.3.5 you shall not use or adopt any trademarks that might be confusingly similar to any Fansite Content;
 - 9.3.6 the Fansite will not post material that is disparaging, illegal or infringes on the rights of any third party or that damages (or that might damage) the reputation of Wargaming or of any of the Games;
 - 9.3.7 except as expressly permitted in this EULA, you shall not rent, lease, reproduce, modify, translate the Fansite Content, or make an adaptation of (including without limitation fiction or visual art), or in any way exploit, any of the Content without our express written permission; and
 - 9.3.8 you must not make, or seek to make, any commercial use or profit out of the Fansite Content (including for example by selling subscriptions to your Fansite) without our prior written consent.
- 9.4 If you fail to comply with any of the terms set out in this section, we reserve the right to terminate your license over the Fansite Content and also to close your Account.
- 9.5 All goodwill arising from your use of Fansite Content, including from use of any trademarks owned by Wargaming, shall inure solely to the benefit of Wargaming.

Copyrights

Copyright 101

U.S. Code § 102 - Subject matter of copyright: In general

Code

Notes

prev

(1) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

- (1) literary works;
- (2) musical works, including any accompanying words;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographic works;
- (5) pictorial, graphic, and sculptural works;
- (6) motion pictures and other audiovisual works;
- (7) sound recordings; and
- (8) architectural works.

(2) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Fair Use: Section 107 of Title 17 of US Code

Four Factors:

1. The purpose and character of the use;
2. The nature of the copyrighted work;
3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole;
4. The effect of the use upon the potential market for, or value of the copyrighted work.

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

M. A. P. to

Copyright Registrations

- *Fourth Estate Public Benefit Corp. v. Wallstreet.com, LLC*, Case No. 17-571 (2019)
- “registration occurs and a copyright claimant may commence an infringement suit, when the Copyright Office registers a copyright”

Cariou v. Prince 714 F.3d 694 (2nd Cir. 2013)



Cariou v. Prince



Derivative Uses: Fair?





Epic Dance Moves

Tattoos

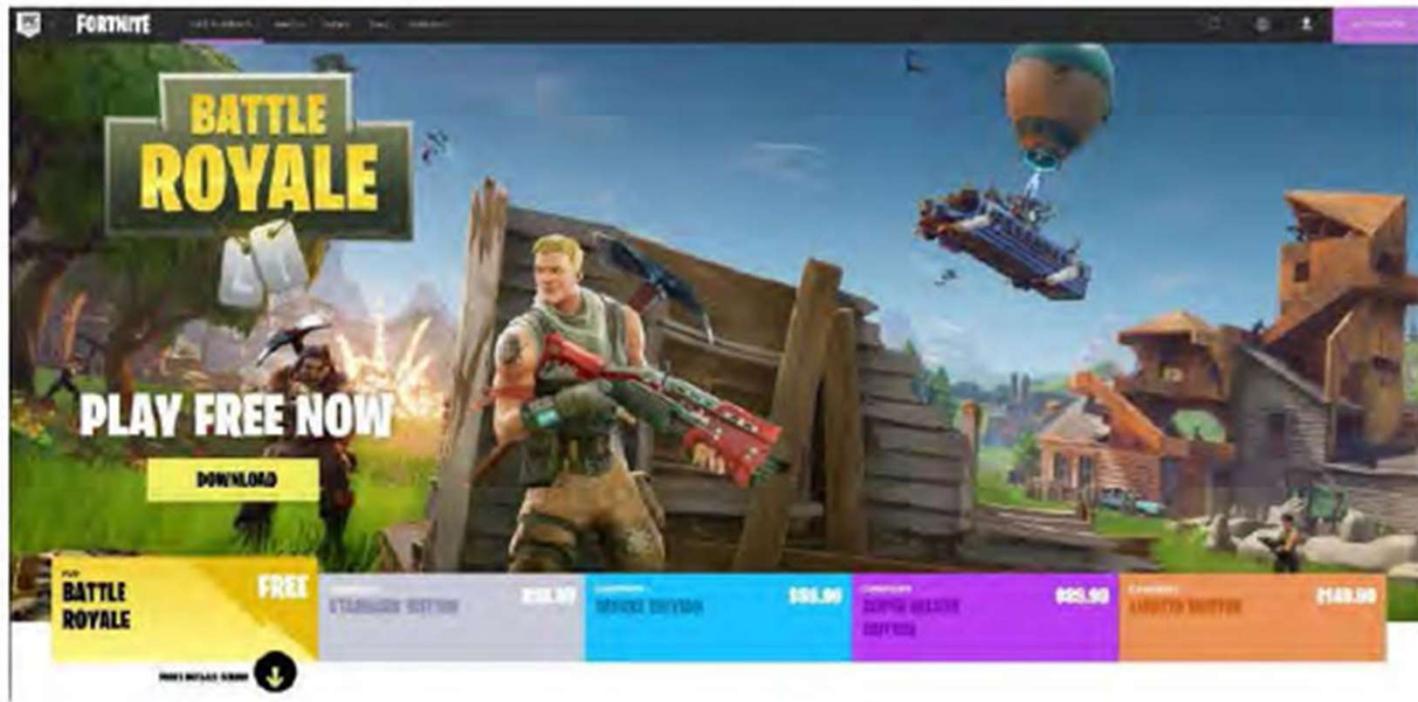
*Alexander v. Take-Two
Interactive Software, 2020
WL 5752158 (S.D. Ill. 2020)*



*Solid Oak Sketches v. 2K
Games, 449 F.Supp.3d
333 (S.D.N.Y. 2020)*



Cheat Bots



Right of Publicity

Right of Publicity 101

Restatement (Third) of Unfair Competition §46.

"One who appropriates the [1] commercial value of a person's identity by [2] using without consent [3] the person's name, likeness, or other indicia of identity [4] for purposes of trade is subject to liability."

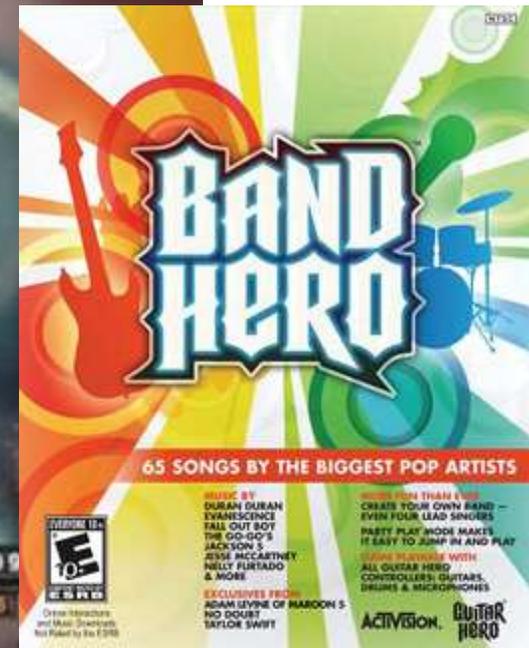
WHAT IS THE RIGHT OF PUBLICITY?

- Derived from the right of privacy (right to be left alone)
- Right of an individual to control the commercial use of their name, image, likeness, etc.
- Protects against unauthorized commercial exploitation
- State by State; no federal right of publicity statute
- Common Law and Statutory
- Commonly Paired with Lanham Act claim
 - Distinction: consumer confusion
- California Civil Code §§3344 and 3344.1
- New York Civil Rights Law, Article 5, §§50, 51

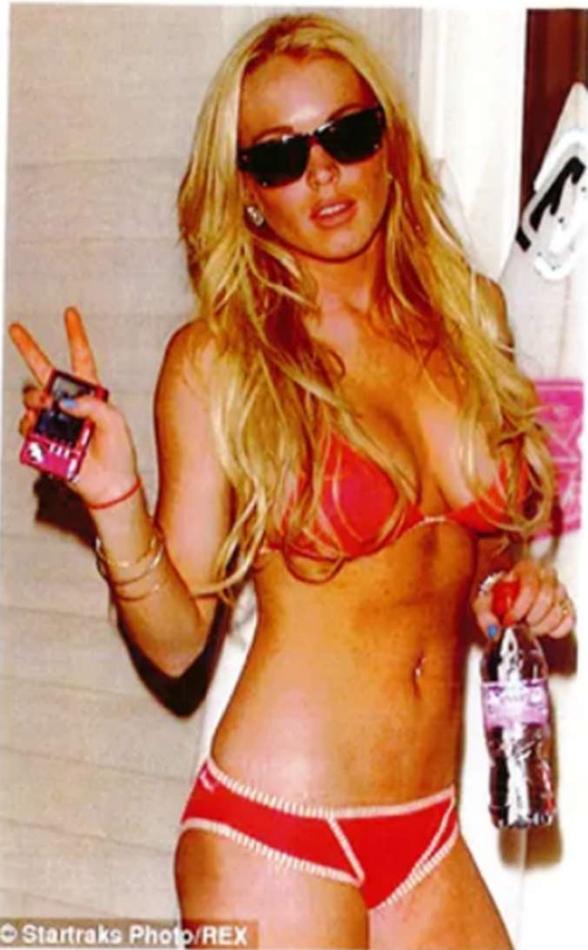
California Civil Code §3344

- No requirement of consumer confusion
- Damages
 - Actual damages (but no less than \$750)
 - Any profits
 - Attorney's fees and costs.
- Defenses
 - use in connection with any news, public affairs, or sports broadcast or account, or any political campaign
 - First Amendment

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



Lohan v. Take-Two Interactive Software
31 N.Y. 3d 111 (Mar. 29, 2018)





Davis v. Electronic Arts Inc.
2018 WL 3956212 (N.D. Cal.
Aug. 17, 2018

“There is little doubt that EA made efforts to render the avatars generic or anonymous to some degree. A reasonable inference is that EA was trying to have it both ways: it wanted its customers to believe they could have genuine reenactments of games with representations of the actual players, while simultaneously hoping to remove enough identifying features that the former players could not claim a license was legally required.”

Esports and the Right of Publicity

- Consider all the parties who you need to clear rights
 - Players
 - Team managers
 - Casters
 - Event hosts
 - Employees



Advertising

Keyword Advertising

“PUBG”

“ESPN”

“Red Bull”

“League of Legends”

“EA”

“Fortnite”

“Blizzard”

mobile video games



All

Shopping

News

Images

Videos

More

Settings

Tools

About 3,880,000,000 results (0.69 seconds)

[Mobile Video Game | We Bring the Party To You | g2u.com](#)

[\(Ad\) www.g2u.com/](#)

Up to 24 Gamers at a Time. Call Now & Book Your Event! Free Estimates. Fundraisers. **Mobile video game** parties. Expert **game** coaches. Kids parties. Call for custom pricing. Festivals & carnivals. Services: **Video game** truck, Foam pit, Hamster balls, Laser tag.

[Premier Game Truck Rolling Video Games Mobile Video Game Trailer ...](#)

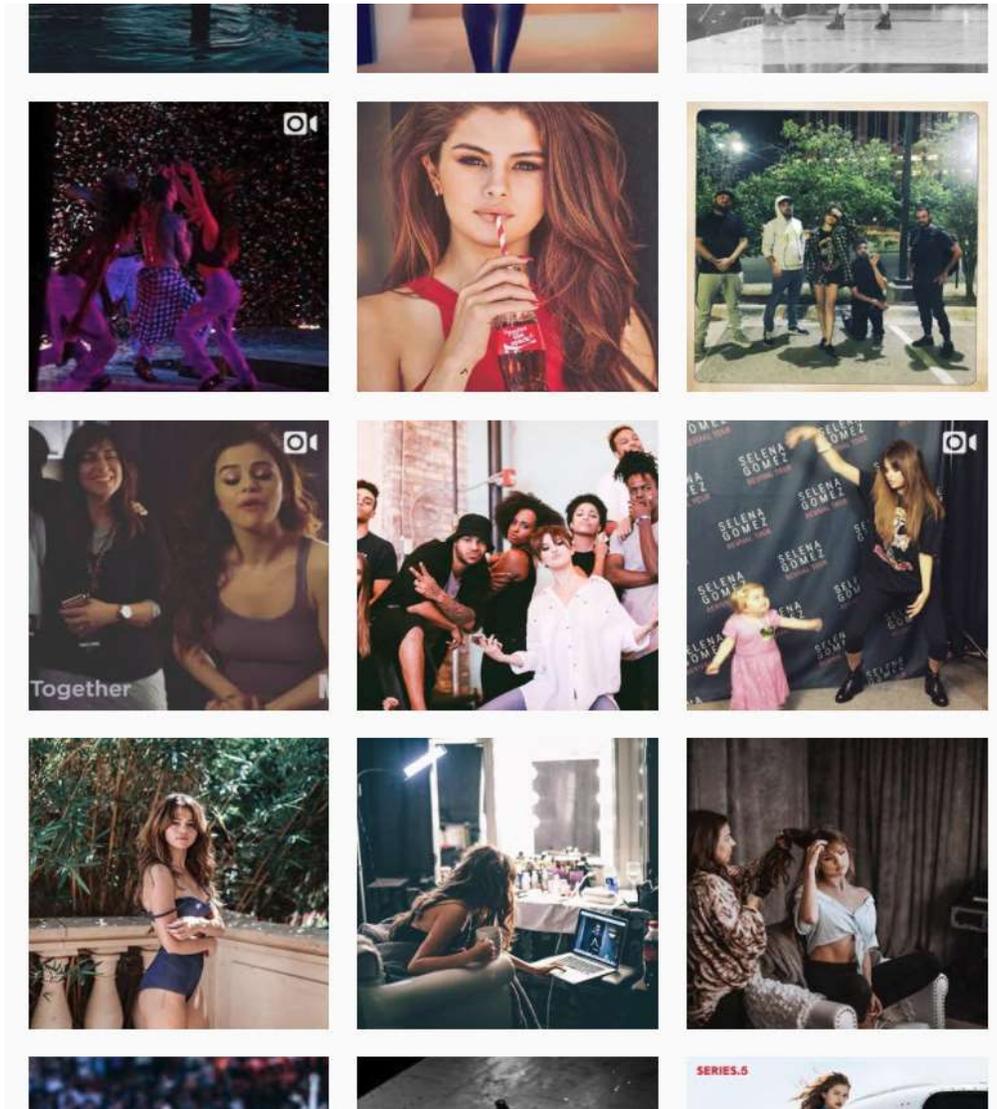
<https://www.rollingvideogames.com/>

Premier Game Truck Rolling Video Games **mobile video game** trailer provides video game parties for birthdays and events at your house or on location.

[Pricing](#) · [Rent One](#) · [Franchise Info](#) · [Gallery](#)

What is an ad?

- Then: The right-side pages of a magazine, TV commercials, direct mail, and other paid messages in familiar places
- Now: Messages about commercial products in unexpected places



Who is responsible?



Influencers

Some didn't go to journalism school and study ethics, don't have editorial oversight, or haven't been counseled on the law



Brands

Some may attempt to reframe the relationship as something other than paid promotion, or give discreet disclosure that won't "water down the impact"

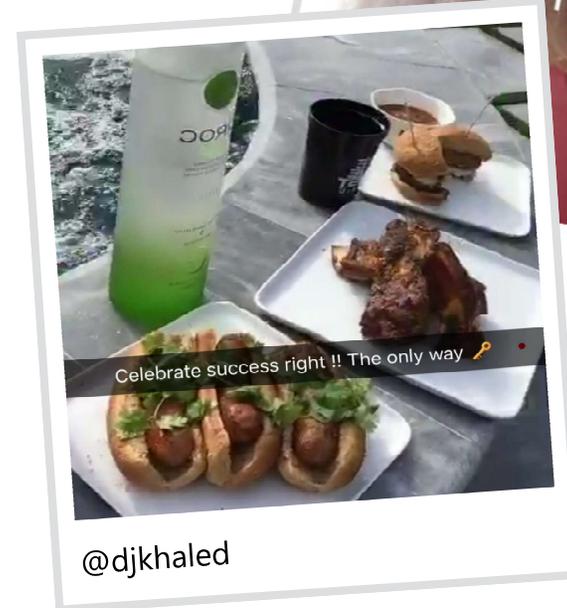
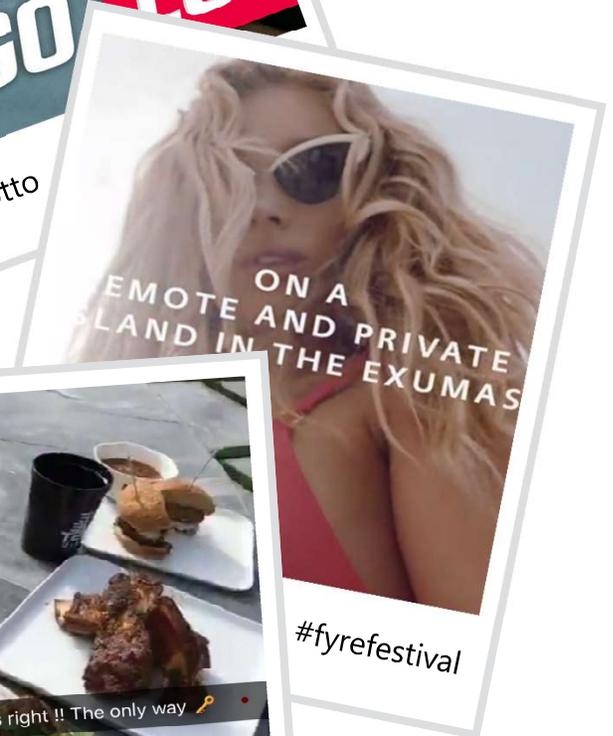


Media Companies

Some may look like online journalism, act more like advertising agencies, but are paid content farms

“The problem arises when readers or social followers can't tell the difference between independent opinions and paid advertising, and that's what the FTC hopes to end.”

Engadget, 3/31/17



Influencer Challenges for Brands

- Employment issues
- IP ownership concerns
- Compliance matters
- Impact on ratings
- Balancing legal questions with PR

A College Student Behind A Massively Popular Paint-Mixing TikTok Page Was Fired From Sherwin-Williams

Tony Piloseno even used his wildly successful and viral TikToks as part of a marketing pitch to the company to appeal to younger members of Gen Z.



Tanya Chen
BuzzFeed News Reporter

Posted on November 18, 2020, at 4:46 p.m. ET

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[Share](#)

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Clearly disclose a material relationship with a brand

“Consumers need to know when social media influencers are being paid or have any other material connection to the brands endorsed in their posts”

FTC Acting Chairman Maureen Ohlhausen



Patent

Patent 101

- ***Alice Corp. v. CLS Bank International***,
- 573 U.S. 208, 134 S. Ct. 2347 (2014)
- 35 U.S.C § 101
- Difficult to get patents to cover implementation of software without
 - A novel hardware component
 - Improving the function of a computer itself
- AI patents have been issuing at about an 89% allowance rate

