# Law of the Level BLOG

The Game Industry's First Line of Defense

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Posted at 4:25 AM on August 27, 2010 by Sheppard Mullin

## **Trademarks for Social Games - a Recipe for Success**

The rise of social games has changed the face of the gaming industry in countless ways. With lower barriers to entry than traditional game development, new titles are launching essentially non-stop, not only from larger companies, but from a multitude of start-ups as well.

As a game developer, you are creating a product that you believe is innovative and compelling. But how do you make your game stand out in this throng—and how do you protect yourself against the horde that will try to ride on your success? By using trademarks effectively to promote and protect your brands.

#### **Ingredients for a Strong Trademark**

Naming a new game can be a challenge. You want a name that stands out and draws players in, but you also want to tell potential new players something about the game you're offering. One of the main problems that many developers encounter stems from this second desire—descriptiveness.

The strength of a trademark (its ability to identify the source of goods or services), is measured on a sliding scale, with generic words ("cake") on one end, and purely fanciful marks, that is, words that have no inherent meaning, ("cakiala") on the other. Generic words can't be protected on their own as trademarks. Fanciful marks and arbitrary marks (words that have no relation to the goods on which they're used) are the strongest trademarks.

In between these two extremes are the categories where most social game titles fall—descriptive and suggestive marks. The line between these two categories is pretty blurry. Descriptive marks, as the name suggests, describe a quality or characteristic of the goods. Suggestive marks, on the other hand, do not outright describe a quality of the goods, but merely suggest it.



Hypothetical example—PastryPlay is a successful new social game developer using its first rounds of funding to create a game where players plant and grow delicious magical cupcake plants. A descriptive name for this game might be "Cupcake Farm." The name describes exactly what the content of the game is. In contrast, a suggestive name could be "Sprinkle Harvest." The name evokes the content of the game without expressly describing it.

So why should you care whether your mark is descriptive or suggestive? Because suggestive marks are considered inherently distinctive and therefore automatically entitled to trademark protection. On the other hand, descriptive marks do not, on their own, merit full trademark protection. Only once a descriptive mark has been used and advertised extensively, so that it serves to identify that one specific game, can it get full trademark protection.

When a social game is published, it is instantly viewable by millions of potential players—and countless competitors. If a game is successful, chances are it will breed imitations. In the example above, PastryPlay can't stop its competitors from coming out with their own cupcakefarming games. And because the terms "cupcake" and "farm" simply describe the content of the game, PastryPlay can't prevent other developers from using those words in their game titles. Social gaming giant PlaySweet can then sweep in with its newest title "Cupcake Ranch," and there's nothing that PastryPlay can do to stop it. If PastryPlay had chosen a suggestive name, on the other hand, they would be in a good position to challenge anyone who used a confusingly similar title for another social game.

#### **Sifting through the Competition**

Once your company has chosen several potential names for your new game, it's time to find out if you are the first person to use that trademark. In the United States, trademark rights are based on first use in commerce, so if someone has used anything confusingly similar to your potential name before you for related products, you could be in trouble.

Searching for prior trademark use is an absolutely necessary part of the branding process. Performing a trademark search before a game title (or other company name or product, for that matter) is adopted is exponentially less expensive—and annoying—than fighting a legal battle over your title at some point in the future. This is why you want to choose several potential names for a new game—it is entirely possible that you may be blocked from using one of the names by a prior use, particularly with the huge number of social games that are already on the

market.

The searching stage is where you want to get your trademark attorney involved. It may seem simple to perform some quick Internet searches to find any really obvious obstacles, but a trademark attorney brings a couple of desirable qualities into play—knowledge of search techniques for a wide range of sources, including trademark databases, and the experience to know which search results are likely to cause conflicts.

In the social game space in particular, because the barriers to entry are so low, there are an incredibly large number of games out on the market. While many of these games are not huge success stories, and may have a limited number of players, trademark law doesn't care how many monthly active users you have—only who used the mark first.

Suppose that PastryPlay didn't perform any trademark searches before adopting the game title "Sprinkle Harvest." The game is released, and thanks to creative genius, effective marketing, and word of mouth, it's a huge success, with over a million monthly active users in just a few weeks. Unfortunately for PastryPlay, Bill Baker, a retired software engineer, coding in his spare time, had published a similar game called "Sprinkle Harvester" about a month before. His game isn't as sophisticated or popular. He only has about 2,000 monthly active users. But if he files a lawsuit, he could force PastryPlay to change the name it has spent so much time and money promoting, and he could also be entitled to a lot of money in damages.

### Prepare in Advance

The good news is that there are ways to protect your new game title before the game is published. The United States Patent and Trademark Office allows you to file an Intent-to-Use ("ITU") trademark application. Essentially, this application allows you to reserve your rights in a trademark that you plan to use. Protection for ITU trademarks dates back to the moment the application was filed.

Let's re-visit our prior situation, but with slightly different facts. PastryPlay settles on the name "Sprinkle Harvest" about halfway through its development process and immediately files an ITU trademark application for the title. Shortly after PastryPlay files its application, Bill Baker releases his "Sprinkle Harvester" game. PastryPlay then releases "Sprinkle Harvest" about a month later. In this scenario, PastryPlay is now in control, with the basis to claim trademark infringement against anyone using the name after its trademark application date, including Bill Baker, who will likely have to change his game title. And, because PastryPlay's application was on record, and Bill had a duty to search trademark records before adopting his mark, he may now have to pay a higher amount in damages than if PastryPlay had simply used the mark first.

As you can see from this example, the filing date of an ITU application is incredibly important. By being proactive about your trademarks, you can gain the right to prevent future developers from using any titles that are confusingly similar to your own. The date from which you can first establish trademark rights could prove to be the difference between maintaining the goodwill of your brand or losing your investment.

#### You Have Your Cake. Now Eat it, Too.

Having trademark rights is all well and good, but you don't maximize the benefit from having those rights unless you enforce them. Enforcement is an integral part of both maintaining your legal rights in a mark and retaining the distinctiveness of your brand.

The first step of enforcement is keeping an eye out for infringing uses. If someone on your team notices a game with a similar name, send it to your trademark attorney to find out if it's going to be a problem. You can run periodic searches of social game platforms, or have your attorney do it for you. Your attorney can also order watching services that will monitor new trademark filings, both in the United States and abroad, in order to identify potential new threats as quickly as possible.

Once a potentially infringing use has been identified, you need to address it. The most typical way to do that is to have your attorney research the situation, then send a cease and desist letter if appropriate. Ideally the letter will lead to a quick resolution, but in some cases, further legal action may be necessary.

Back to the delicious dealings of PastryPlay—Fiona Frosting is an artist working on Sprinkle Harvest. While surfing the Internet one night, she discovers the infringing Sprinkle Harvester game and notifies PastryPlay's CEO. The CEO decides that because the infringing game is so small, he will just ignore it. This leads to a couple of potential problems—

First, PastryPlay does decide to go after a more popular, nautical-cupcake game called "Sprinkle Harbor." The makers of Sprinkle Harbor point to Bill Baker's Sprinkle Harvester game as evidence that PastryPlay's trademark lacks distinctiveness, and that coexistence should be possible, since Sprinkle Harvest is already coexisting with a more similar mark. This could cause complications if PastryPlay tries to bring a lawsuit, and almost certainly puts it in a weaker position when negotiating a settlement.

In a second scenario, PastryPlay has ignored the Sprinkle Harvester game until seven years later. During that time, Sprinkle Harvester was acquired by industry giant PlaySweet, which upgraded its graphics, and launched a massive marketing campaign. Now an active competitor, PastryPlay decides to sue. But PastryPlay has waited too long. PlaySweet is able to mount defenses based on implied consent, laches, and the statute of limitations for trademark claims, and it is now too late for PastryPlay to protect its brand.

As a developer, your game titles are one of your most valuable assets. The value in your titles comes from their ability to identify your game. The more competitors there are in the market with similar names, the less your title serves as a unique identifier. As a result, it's vital to address any infringement in order to maintain that value.

#### **Sweet Satisfaction**

Trademarks are one of those areas where handling things properly from the beginning can save a lot of trouble and heartache down the road. There is no substitute for getting trademark advice

directly from your attorney, but hopefully this article has given you a basic recipe to keep in mind while cooking up your game brands.

Authored By:

<u>Thayer Preece</u> (650) 815-2618 tpreece@sheppardmullin.com

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