

Virtual Design Theft

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Robert S. Katz
BANNER & WITCOFF, LTD.
1001 G Street, NW
Washington, D.C. 20001
(202) 824-3181
rkatz@bannerwitcoff.com
www.bannerwitcoff.com

David C. Musker
RGC JENKINS & Co.
26 Caxton Street
London SW1H 0RJ, UK
+44(0) 20 7931 7141
dmusker@jenkins.eu
www.jenkins.eu

What is Virtual Design Theft (VDT)?

- Virtual design theft: is the unauthorized creation, sale or use of a digital model of a real-life design
- Where do they end up?
 - Movies
 - Video Games
 - Modern (Large) Virtual Worlds
 - Massive Multiplayer Online Game (MMOG) like World of Warcraft
 - Second Life

Why VDT

- Big money at stake
 - On average, customers save >20 hrs of modeling time when they buy a 3D model
- Credibility for ultimate product
- People just want the digital models
- Now easy to create
 - 3D scanners availability and prices
 - 3D printers (can create replicas)

Models for copying

- 3D printing technology allows a user to make a 3d "photocopy" of an object in plastic
- Cost €12,000 and falling
- Legitimate uses: "rapid prototyping", museum replicas
- At present, small businesses and hobbyists
- Future – mass use?
- Sites of scanned models



King Tut's replica

Thingiverse 3D Printer Models



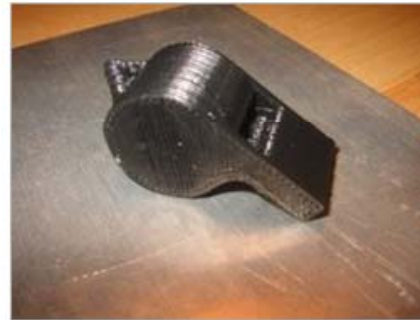
[Microlathe - The](#)

By: [cathalgarvey](#) 7 months ago



[A-Mazing Box](#)

By: [ultra23](#) 8 months ago



[Whistle](#)

By: [Saxon](#) 11 months ago



[Planetary gear calling card](#)

By: [m3300](#) 1 year ago



[Parametrized Lego Bricks](#)

By: [ultra23](#) 1 year ago



[OpenSCAD Spur Gears](#)

By: [ultra23](#) 1 year ago

3D Model Sites

The Cottage Industry

- Many of them, each with many models
- One had over 17,000 3D models
- Higher price factors:
 - The more coveted the product is
 - The more detailed the 3D image is

Popular 3D Model Categories



People



Architecture



Vehicles



Animals



Military



Furnishings



Plants



Anatomy



Aircraft



Electronics

3D Model Sites

The Cottage Industry

- The makers/sellers are commonly in a tougher situations than end users
- less of a "fair user"

Sell your 3D models for Cash

Do you have 3D models sitting on your hard drive? Put them to work making money for you.

- Build your professional reputation with 3D users globally
- Join the SquidGuild and increase your profit



"The amount of sales I've had on TurboSquid has been impressive. I don't have a giant catalog, but I've been amazed at how quickly my sales numbers have added up."

Gerzi 3D Art



"When I saw my first sales at TurboSquid I was quite shocked. Now my main work is creating and selling 3D models."

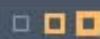
Pekdemir

Want a Toyota Prius?

40 Results for prius

[Site Statistics](#) | [Directory](#)

1 of 1



Sort By: Best Match

Per Page: 50



\$89.00

max two obj



\$15.00

3ds max obj
oth



\$99.90

3ds max two
obj xsi c4d
fbx



\$145.00

ma 3ds max
two obj



\$59.95

obj c4d fbx



\$60.00

3ds max



\$35.00

3ds max two
obj xsi X w3d



\$185.00

3ds max



\$70.00

max



\$500.00

obj



\$34.00

3ds max gmax



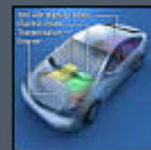
\$55.00

ma 3ds max



\$34.99

max dxf obj
fbx dae



\$45.00

3ds max two
obj xsi X w3d



\$69.00

3ds max gmax



\$75.00

max obj bco



\$89.00

max fbx



\$149.95

ma 3ds max
two obj c4d



\$160.00

3ds max two
obj xsi



\$149.95

3ds max obj



\$124.95

ma 3ds max
two obj c4d

Want a Toyota Prius?

Accurate very high definition Toyota Prius 2010 model with detailed interior fully textured. The model includes textured and modeled tires.



\$ 149.95

Available Delivery Formats:
Download Only

ADD TO CART



TurboSquid Quality Guarantee

Available File Formats

3D Studio (.3ds)
38 MB

OBJ (.obj)
92 MB

3ds Max 6.0 (.max)
11 MB

Maya 8.0 (.ma, .mb)
96 MB

Cinema 4D 9.6 (.c4d)
51 MB

Lightwave 6.0 (.lwo, .lw, .lws)
67 MB



Need help with format
conversion?

Product Specifications









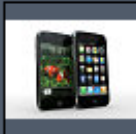






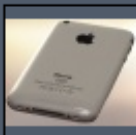





Media Type: 3D Models

Want an Apple iPhone?

335 Results for iphone

Site Statistics | Directory

1 of 7 Sort By: Best Match Per Page: 50

 \$60.00 ma 3ds max obj c4d fbx	 \$60.00 ma 3ds max obj c4d fbx	 \$259.95 3ds dxf ige lwo xsi wrl 3dm dwg stl oth sldas	 \$95.00 3ds max obj fbx	 \$100.00 3ds max dxf lwo obj fbx 3dm dwg skp	 \$19.99 3ds max obj c4d fbx oth	 \$61.00 3ds max dxf lwo obj xsi X fbx 3dm oth
 \$24.99 3ds max obj c4d fbx oth	 \$48.00 3ds max obj fbx	 \$8.27 3ds max lwo obj xsi X fbx 3dm	 \$25.00 c4d	 \$22.50 3ds max obj fbx	 \$8.27 3ds max lwo obj xsi X fbx 3dm	 \$75.00 3ds max dxf lwo obj c4d fbx 3dm dwg skp
 \$80.00 ma 3ds max obj c4d fbx	 \$149.95 3ds ige xsi 3dm oth sldas	 \$59.00 ma 3ds max lwo obj xsi c4d fbx	 \$75.00 3ds dxf obj X c4d fbx	 \$80.00 max obj	 \$25.00 3ds max obj fbx	 \$99.00 3ds ige lwo xsi 3dm oth sldas

Want an Apple iPhone?

iPhone 3G-colored - sw prt.zip

by **GonzaloAmador** ♦

Product ID: 470603

KEYWORDS: iPhone 3G solid model SolidWorks 2008 Works

CATEGORIES: 3D Models > Electronics > Phone > Cellular

iPhone 3G solid model in SolidWorks 2008 format. Feature based model, not imported.



\$ 100.00

Available Delivery Formats:
Download Only

ADD TO CART



TurboSquid Quality Guarantee

Available File Formats

Solidworks Part (.sldprt)
785 KB



Need help with format
conversion?

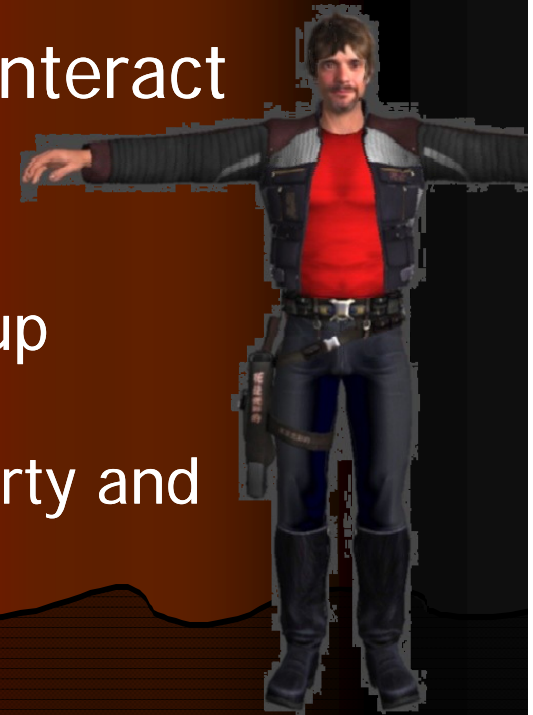
Product Specifications

Media Type:	3D Models
Published:	Jun 19, 2009
Geometry:	Unknown
Polygons:	0
Vertices:	0
Textures:	No
Materials:	No
Rigged:	No
Animated:	No
UV Mapped:	No

OTHER ITEMS OF INTEREST

What is Second Life?

- Second Life (SL) is a virtual world accessible via Internet
- Developed by Linden Labs
- Started in 2003
- 18 million users ("residents") interact as avatars in "the grid" to:
 - explore, meet, and socialize
 - participate in individual and group activities
 - create and trade in virtual property and services



Features of Second Life

- User-generated content
 - Avatars
 - Landscapes
 - Products
- User-controlled interactions
 - Including commerce
- Is Linden Labs
 - A game provider, or
 - A passive enabler like eBay or YouTube?

Lost Revenue Appears to be There

- Blog reported “Elexor Matador Jewelry is selling twenty-five knockoff “Cartier Himalia” jewelry sets as limited editions for L\$10,000 (US \$40).
- Over 15 shops in Second Life advertising “Ferrari” cars. One sells for L\$1995 (approximately US \$7.75).
- Over 40 stores in Second Life sell virtual “Rolex” and “Chanel” watches, averaging L\$350 (US \$1.61).



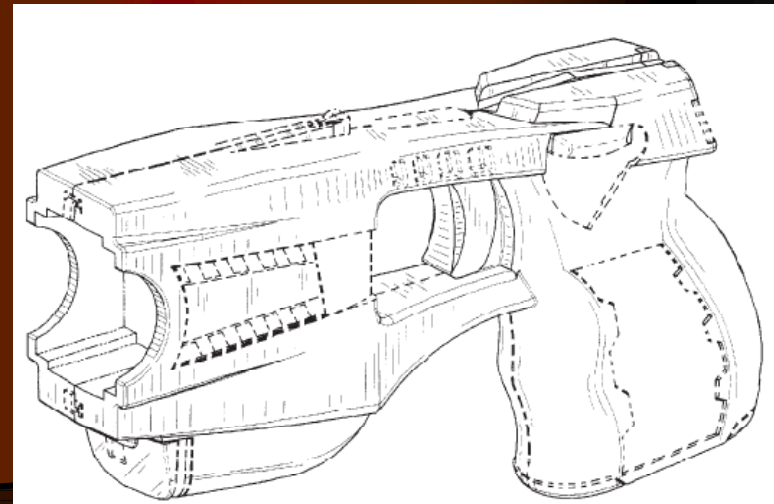
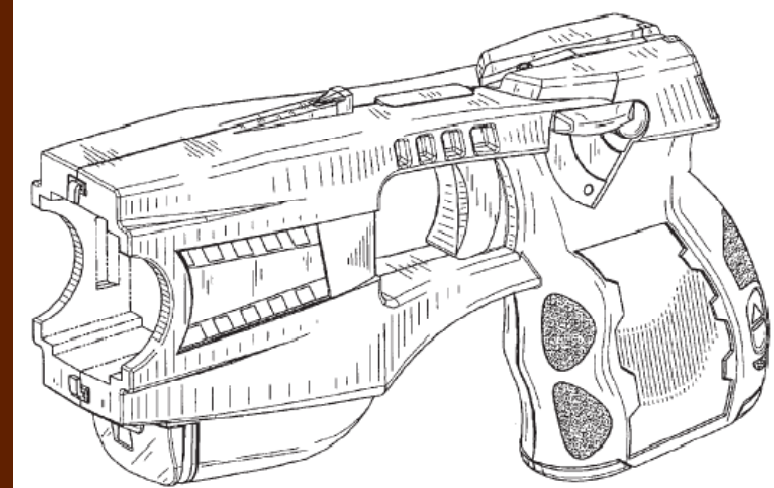
Picture of Cartier necklace

Second Life wearer of knockoff necklace



Taser Int'l v. Linden Research et al

- Taser makes and sells weapons that deliver a jolt of electricity – usually for police departments
- Taser obtained IP protection:
 - mark “TASER” for non lethal firearms
 - US Des. Pat. Nos. D504,489 & D508,277 (“Gun”)



Taser Int'l v. Linden Research et al

- Virtualtrade sold virtual weaponry using the name TASER to use in computer animations provided by Linden (Second Life)
- Defendants also sell "adult-only explicit scenes" and "unlawful drug materials"

Glock 17/Taser X26 Combo

L\$1200



What are Tasers? Tasers are hand-held weapons that deliver a jolt of electricity through a pair of wires propelled by compressed air from up to 10....

[More...](#)



VGS Long Range Taser Gun

L\$895



Long range authentic taser gun stuns and immobilizes victims from 15 to 20 meters away. Custom animations, sound effects and innovative scripting. ...

[More...](#)

What would you do?

- What rights would you use?
- Who would you sue?
- Where would you sue?

Taser Int'l v. Linden Research et al

- Taser sued Linden and Virtualtrade
 - Trademark infringement
 - (TASER and ADVANCED TASER mark)
 - common law "M26", "X26" marks
 - Trade Dress Infringement
 - Dilution
 - Unfair Comp. (false designation of origin)
 - Design Patent Infringement
 - Racketeering (RICO)
- Complaint later withdrawn



Potential IP Rights At Issue

- Copyright
- Design/Design patent
- Trademark/Dilution/Trade dress
- Not addressed here -
 - Right of Publicity
 - Right of Privacy
 - Utility Patents

Copyright Rights

- Copyrightable articles
 - Graphic arts
 - Sculptural arts
- Main Requirements
 - Originality
- Reproduction
 - Not dependant on reproduction medium
 - 2D to 3D and vice versa may infringe

Copyright VDT Issues

- US – Main Statutory Exclusions/Defenses
 - Non-Functionality/Separability
 - If on a useful article, it is protectable if it can be identified and exist separately from the utilitarian aspects of the article
 - Physical or conceptual
 - Fair Use
 - Scenes-a-Faire/merger doctrine
 - Architectural works – public place exclusion (permits unauthorized publication of pictures of buildings located in or visible from public places)

Boundaries of copyright

- Utilitarian purpose may defeat artistic work copyright.
- 3D works - no harmonisation:
 - **Germany** – high threshold for works of art
 - **UK** – category-bound; s51 restricts 3D copyright to sculptures and “Works of Artistic Craftsmanship”
- *Lucasfilm v Ainsworth* [2009] EWCA Civ 1328 – fantasy helmets and armour **not** “sculptures” – goes double for TAZERS!



Lucasfilm reversed?

- What if the helmets/armour started as a virtual product?
 - *King Features Syndicate v Kleeman* – infringement of Popeye cartoon by doll
 - Only original intention relevant? **Probably** (though doubted, *obiter*, in *Lucasfilm*)
 - Result: asymmetry of outcome, though the CAD file might be identical
- US: *Eros v John Doe* – the SexGen bed

Woods v. Universal City Studios, Inc

- Lebbeus Woods created drawing entitled, "NeoMechanical Tower (Upper) Chamber"
- In 1995, Universal released the movie "12 Monkeys"
- Bruce Willis is seated in a chair attached to a wall as a sphere descends from a metal armature
- Director (Gilliam) admitted seeing picture and discussed with the producer and designer to design the scene
- Woods moved for injunction



Woods v. Universal City Studios, Inc

- Court rejected *de minimis* defense
 - Footage accounted for less than 5 minutes of a 130 minute movie (4 scenes)
 - But, *de minimis* is determined by the amount taken from the infringed work, not by the characteristics of the infringing work.
 - Movie had copied Woods' drawing in striking detail
- Woods allowed Universal to continue distribution of the movie for a high six-figure cash settlement

The Devils Advocate

- In 1974, Frederick Hart won competition for façade sculpture for the West Entrance of the Washington National Cathedral
- Sculpture called "Ex Nihilo, -- the Creation of Mankind out of Nothing -- as narrated in the Book of Genesis
- In *Devils Advocate*, sculpture on wall behind Al Pacino's desk



The Devils Advocate

- The artist and the National Cathedral both sued and won.
- Warner Brothers had to:
 - re-edit the film to change the portions where the sculpture appeared
 - put a sticker on all videotapes saying that the artist and the Cathedral did not endorse the work being used in the film

The Devils Advocate



Batman Forever

- The producer of the film obtained a location agreement for use of the 801 Tower in Los Angeles as the Second Bank of Gotham.
- There are ornamental towers outside the building
- The towers were by Minneapolis artist Andrew Leicester
- WB did not obtain permission from the architect/artist.
- Artist sued in 1995



Exterior

Batman Forever

- The district court found that the streetwall towers, even though they had artistic elements, were part of an 'architectural work'
 - Models were OK because part of the license with building
 - The pictures taken of the streetwall towers *along with* the 801 Tower were not infringing because of public place exclusion
- Possibly a different outcome for a sculpture associated with a building




Design Rights


- Registered (also unregistered in EU)
- Designs *of products/articles*
- Shorter term than copyright:
 - US: 14 years from grant
 - EU: up to 25 years from filing
 - Shorter for unregistered rights
- Prior art and functionality limitations
- Applicant nominates products/articles

Design VDT Infringement - EU


- Is creating, making, using, or selling a virtual model of a design an infringement – Probably?
 - *“the exclusive right to ... prevent any third party not having his consent from using it. ... in particular, the making, offering, ... or using of a product in which the design is incorporated or to which it is applied...”*
 - Is there “Use of the design” even if no product? Or will the Courts re-run the “use as a trade mark” saga?
 - “Product” can be virtual apparently: 3D character, video game character, cartoon character
 - Is the end-user’s screen the “product”?
 - Title/Product is not limiting, so any registration ought to extend to either of the above.


Sample RCDs

1  **000156807-0001**





Name of owner: Nu Generation Games Limited
Filing date: 16/03/2004
Locarno class-subclass: 21.01
Verbal element:
Indication of the product: Video game characters
Status: Design lapsed

2  **000156807-0002**





Name of owner: Nu Generation Games Limited
Filing date: 16/03/2004
Locarno class-subclass: 21.01
Verbal element:
Indication of the product: Video game characters
Status: Design lapsed

12  **001649054-0001**




Name of owner: Now Mobile Telecommunications Limited
Filing date: 17/12/2009
Locarno class-subclass: 32.00
Verbal element:
Indication of the product: 3D Characters, Characters, Characters for animations
Status: Registered and fully published (A1)

13  **001660812-0001**



Name of owner: Salabert, Christine
Filing date: 25/01/2010
Locarno class-subclass: 32.00
Verbal element:
Indication of the product: 3D Characters
Status: Registered and fully published (A1)

14  **001721325-0001**



Name of owner: AEOL VALENCIA, S.L.
Filing date: 18/06/2010
Locarno class-subclass: 32.00
Verbal element:
Indication of the product: 3D Characters
Status: Registered and fully published (A1)

SIP v Ordnance Technologies, [2007]

EWHC 2875 (Ch)

- UK UDR infringement action concerning data models of Tomahawk missile bunker-busting shape-charge warheads
- Models not used to make product (or even displayed?) but to simulate explosions
- UK UDR law provides specifically for copying “design documents” which include data files



SIP v Ordnance Technologies

- *"it should be proved ... that at the material time [i.e. of making the model] what he did or authorised to be done by way of the making of a design document ... was done with the purpose in him that articles to the design should thereby be enabled to be made. It is not required that he should have the purpose that he or he whom he authorises should himself or themselves make or be enabled to make such articles but rather that within the infringer there should be the purpose of enabling the articles to be made."*
- No infringement there since the model was used only for simulation and research, although eventually a product of some sort would no doubt be made.
- Would apply equally for use in Second Life

Design VDT Infringement - US

- Is creating, making, using, or selling a virtual model of a design an infringement? Possibly?
 - Section 171: ornamental *design* for an article of manufacture
 - Title might be limiting
- TIP: Consider filing on icon/screen design to article in the US

More Design issues

- Reproduction of the *whole* design as registered? (watch example)
- “Private and non-commercial use” defence for end users (e.g. game players, 3D printers)?
- Territoriality – jurisdiction of the infringements and the registrations?

Trademark Rights

Common Types of VDT Taking

- Traditional: word, logo on or with product
 - Variation: Character names
- Non-traditional: design/article shape
- Trade Dress
- Combinations

Trademark VDT Subsistence Issues

- Must Serve as a trademark
 - Source versus design
 - Non-functionality
- Obtained/maintained by use for *particular* goods/services
 - Registrations often **do not cover** video games or virtual worlds if the proprietor doesn't trade there
- Acquired distinctiveness/Secondary meaning
 - Needed for article design (Wal-Mart v. Samara)
 - Not needed for certain trade dress/packaging/get up (Two Pesos) if you can show inherent distinctiveness

More Trademark VDT Issues

- Effect of Labeling Disclaimers
- Abandonment
 - loses significance as mark and becomes generic through acts or omissions
 - Possibly from widespread infringements and lack of enforcement
- Dilution
 - Potential cause of action not to be overlooked
 - Tarnishment or Blurring
 - Mark must be famous

Goods- *La trahison des images*

- Is a virtual gun a gun?
- SECOND LIFE is registered in classes 9 (Entertainment software), 38 (Communication services) and 41 (Entertainment services)



Similarity?

- Are real and virtual guns “similar” so as to cause confusion? Perhaps not: *British Sugar v Robertsons*
 - (a) The respective uses of the respective goods or services;
 - (b) The respective users of the respective goods or services;
 - (c) The physical nature of the respective goods or services;
 - (d) The respective trade channels through which the goods or services reach the market;
 - (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in [stores] ...;
 - (f) The extent to which the respective goods or services are competitive.
- “Association” assumed? Might be licensed?

Codemasters v Automobile Club De L'Ouest

- ACO licensed C to sell a Le Mans race
- Purported to license racing car marques
- Porsche and others threatened C
- Some settled – Ferraris removed
- ACO held liable under warranty



Dilution VDT Issues: EU

- Use on goods beyond the registration where *"the use without due cause of the trade mark applied for*
 - *would take **unfair advantage** of, or*
 - *be **detrimental** to,*
the distinctive character or the repute of the earlier trade mark."

Adam Opel v. Autec

- ECJ C-48/05 *Adam Opel v Autec* – replica cars
- Registration of Opel “flash” for cars and toys
- Only infringement if the use was capable of affecting the essential, origin-indicating function of the mark
- despite identical goods, no infringement if the public would not assume Opel to be the origin –
- Did Codemasters infringe?



Tension: 1st Amendment and IP Rights

Precedent “requires courts to construe the [Trademark] Act ‘to apply to artistic works *only* where the public interest in avoiding consumer confusion outweighs the public interest in free expression.’”

Walking Mountain, 353 F.3d 792, 807 (9th Cir. 2003) (citing *Interactive Digital Software v. St. Louis County*, 329 F.3d 954 (8th Cir. 2003))

GENERAL OBSERVATIONS

Courts: First Amendment > IP Rights (mainly TM and ©)

Virtual World Creators are favored over Traditional IP Owners (mainly TM and ©)

Free speech and the ECHR

- Tension between free speech and TM law tested in *Boehringer Ingelheim v. Vetplus* [2007] EWCA Civ 583
- Effect: prior restraint injunction only granted in comparative advertising cases where C is likely to win at trial
- At present, IP usually trumps free speech in TM cases

Cartier v. Apple

- Cartier sued Apple to stop selling watch applications – “Fake Watch” and “Fake Watch Gold Editions”
- Apps created by Digitopolis Game Studio (sold \$0.99)
- Choose among many watch faces
- Names not exactly copied
 - Relax (not Rolex)
 - Carpark (not Cartier)
- Articles called them “obvious fakes”
- Suit was trademark based
- Apple agreed to remove both apps from the store & suit was withdrawn



Marvel v. NCsoft and Cryptic Studios

- NCsoft/Cryptic created an online video game enabling the users to create superheroes
- Specific Marvel characters involved included Captain America, Wolverine, Incredible Hulk, Magneto, The Thing, Phoenix, and Iron Man.

Marvel sued claiming that the game allows players to imitate comic book characters owned by Marvel

- contributory liable for copyright infringement
- Trademark infringement claims (most dismissed)
- Case had big implications
- The parties settled



Enforcement Strategies

- Do you care?
 - Lost revenue in the digital world
 - Might be OK if it generates real sales
 - Product replication
 - Good copies or bad copies, it might matter
 - Keep trademark rights strong
 - What's the downside of not being included?
 - Tenet of *all* PR is good PR is not true
 - Fact specific, hero, villain, detestable villain
 - Use of product in class and how is it used
 - Negative product placement

Herman Miller in Second Life (2007)



- Combating HM virtual thefts in 2007
- Opened a virtual store in Second Life
- Threatened trademark suits
- Offered a collection of 15 pieces for L\$300-L\$850 (US \$1.40 to \$3.50)
- For a limited time, users that had knockoffs got the new pieces for free if they deleted old inventory
- Creative enforcement approach
 - Easier to pay a few bucks in virtual store than to infringe

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Robert S. Katz
BANNER & WITCOFF, LTD.
1001 G Street, NW
Washington, D.C. 20001
(202) 824-3181
rkatz@bannerwitcoff.com
www.bannerwitcoff.com

David C. Musker
RGC JENKINS & Co.
26 Caxton Street
London SW1H 0RJ, UK
+44(0) 20 7931 7141
dmusker@jenkins.eu
www.jenkins.eu