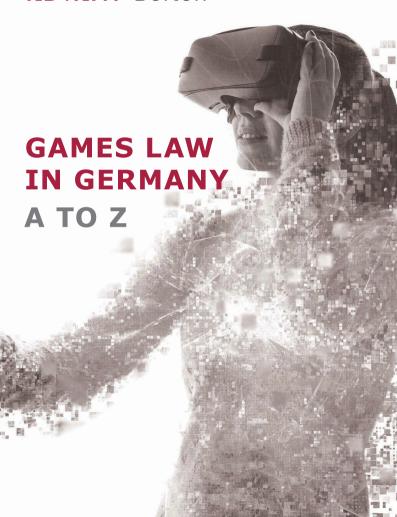
ADVANT Beiten



Dear readers,

ADVANT Beiten's lawyers have been shaping games law for over ten years. They have been at its very forefront and have won landmark decisions, some of them being the first of their kind in Europe, or even the world.

Over the years, we have gained particular experience in this field, which we want to share with you.

Games law is as dynamic as ever. New business models create new legal challenges, and regulation has become tighter. Thus, we will also cover the relevant EU laws (e.g. Omnibus Directive, Digital Content and Services Directive, Digital Services Act, Digital Markets Act), which implement new obligations and GDPR-style fines to better protect consumers (e.g. with regard to EULAs and the right of withdrawal), regulate online platforms, and try to tame gatekeepers.

This booklet gives an overview of some of the topics we consider to be especially relevant in games law today. Of course, the list is not complete, and we cannot go into detail.

What we can provide – and what we aim to provide – is a very German perspective. We have learned over the years where German law is stricter than international clients may expect; sometimes it is also more effective and occasionally it is even more liberal.

Let the games begin!

Accredited youth protection software

Accredited Youth Protection Software is software for restricting the access of certain age groups to digital content (→ Age Rating). German youth protection authorities must approve the effectiveness of such software. To implement proper age restrictions on the basis of a certain Age Rating, an age label readable by Accredited Youth Protection Software may be a reasonable and sufficient measure for USK 16 and 18. It is not sufficient for → Banned Games.

AFFILIATE MARKETING

Merchants can be liable for IP violations committed by their affiliates (such as \rightarrow Trademark violations, \rightarrow Copyright infringements and \rightarrow Unfair Competition).

AGE GATES

Measures to restrict online access to the game by \rightarrow Minors below the rated age (\rightarrow Age Rating). They generally require \rightarrow Accredited Youth Protection Software or limitation of the times when the game is available.

AGE RATING

The Age Rating specifies the age group to which a game may generally be sold and advertised. Traditionally, violence had been the major issue in Germany. Recently, gambling-style gameplay, suggestive poses of minors and interaction risks (e.g. ingame communication, monetisation, and UGC) have also been an issue. For particular Age Ratings → Age Gates are mandatory. In Germany, the → USK is the Age Rating authority. PEGI is not recognised. Games require a USK rating for unrestricted physical distribution. For online game distribution platforms, the regime has recently been changed.

ANALYSING PLAYER BEHAVIOUR

Analysing Player Behaviour means the evaluation of the way the user approaches and plays a game with the overall goal of improving the game, e.g., through rebalancing or subsequent addition of \rightarrow Virtual Items and objects. The analysing is usually based on the \rightarrow Tracking of the gameplay and subject to the Telecommunication-Telemedia Data Protection Act (TTDSG).

ANTI-CHEAT MEASURES

Anti-Cheat Measures are certain mechanisms of the gaming industry to ensure a fair game for all players and to prevent fraudulent or abusive behaviour, especially by \rightarrow Cheat Software. This is usually achieved by collecting and evaluating certain user data, which helps to identify and, if necessary, exclude those users who do not adhere to the prescribed rules (\rightarrow Banning Players). Due to the data processing associated with this, \rightarrow Data Protection law must be observed. The \rightarrow GDPR's strict requirements regarding automated decision making must be observed.

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APP STORE MARKETING

As with \rightarrow Search Engine Marketing, \rightarrow Trademark infringements and \rightarrow Unfair Competition can be a problem. The legal principles applied are similar, but not identical.

ARTIFICIAL INTELLIGENCE (AI)

There are no specific regulations on AI in games. Insofar as the AI uses \rightarrow Personally Identifiable Information (PII), compliance with

→ Data Protection law is an important aspect, especially where there is automated decision making, e.g. to detect
 → Cheat Bots and for → Banning Players. The EU is currently planning to adopt a new regulatory framework for AT

AUGMENTED REALITY (AR)

Augmented Reality (AR) games and applications allow for real world objects to be incorporated into the AR application. This regularly requires processing of \rightarrow Personally Identifiable Information on the players, such as a player's location and movement.

In particular, if the PII is used not solely for provision of the game (e.g. PII is also used to improve the application or for advertising), the requirements of \rightarrow Data Protection laws must be reviewed very carefully. If protected works (\rightarrow Copyright), \rightarrow Trademarks or similar protected rights

of a third party are used without the third party's consent, a proper rights clearance is advisable.

Banned Games

The 'banning' of a video game in Germany describes the adminis- trative act by the → Bundeszentrale (formerly Bundesprüfstelle) of adding a game to the German 'Index' if, for example, a game glorifies violence or incites hatred against minorities. Banned Games cannot be freely advertised and must not be sold to → Minors in Germany. The sale of such games to adults is also restricted.

BANNING PLAYERS

Court decisions tend to allow game operators to terminate the contract with the user where the user violates the → EULAs. A written reminder may be necessary depending on the case. A few court decisions even allow the game operator to terminate the contract with the user at its discretion.

BOTS → Cheat Bots

BUNDESPRÜFSTELLE (BPJM) → Youth Protection

BUNDESZENTRALE (BZKJ) → Youth Protection

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CHEAT BOTS

In two decisions, the \rightarrow FCJ has strengthened the position of game operators against automation software which is prohibited in a game's \rightarrow EULAs (Cheat Bots). It has ruled that the duplication of the client software is a \rightarrow Copyright infringement where the EULAs only grant a right for private use. In a second decision, it has ruled that distributing Cheat Bots which are against the game's EULAs is an act of \rightarrow Unfair Competition, against which the game operator can take legal action.

CLASS DECLARATORY ACTION

A new law in Germany allows certain associations, e.g. → Consumer Protection Bodies, to establish the factual and legal grounds for → Consumer claims against companies in a sample case. Thereafter, Consumers who have registered for this class action can assert their claims in individual proceedings on the basis of the findings in the sample case. This could result in Consumer Protection Bodies targeting cases that have caused damage to a large number of Consumers, but where the damage suffered by each individual Consumer is rather small. With regard to games this could become relevant, for example, with respect to invalid clauses in general terms and conditions or incorrect information regarding → Withdrawal Rights.

CLONES

Games which are heavily inspired by more successful and/or popular games and which usually try to target the same audience by copying part of the gameplay mechanics, artwork, design, look and feel and sometimes even the source code of the other game.

Acting against Clones varies in difficulty and depends on whether one can identify and prove an actual infringement of \rightarrow Copyright or \rightarrow Trademarks. \rightarrow Unfair Competition law may also help to act against Clones.

CLOUD GAMING → Streaming of games

COMPETITIONS

An organiser of a Competition which is also intended for participants in Germany has to provide sufficient transparency about the Competition and clear, comprehensive rules of the Competition. Additional requirements apply if participants are required to pay a considerable entry fee or if → Minors may also participate. → Gambling laws have to be observed.

CONSUMER LAW

European law grants Consumers extensive rights, such as the → Right of Withdrawal and extensive rights for information both before and after the conclusion of a

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contract. There are especially strict rules for \rightarrow EULAs and other \rightarrow Terms of Service as well as for advertising targeted at \rightarrow Minors. Traditionally, while the law has been strict, consequences in case of a breach often have been limited. With the implementation of the EU Omnibus Directive and the EU Digital Content and Services Directives, new obligations and a GDPR-style fine regime have been implemented.

CONSUMER PROTECTION BODIES

In Germany, Consumer Protection Bodies can act against infringements on behalf of \rightarrow Consumers. They can enforce \rightarrow Competition or \rightarrow Data Protection law and send out \rightarrow Warning Letters.

COPYRIGHT

German Copyrights cannot be transferred. Only various rights of use can be granted with respect to the Copyright. The license has to be granted carefully. A license 'for all purposes' can be disadvantageous for the licensee.

COUNTERFEIT MERCHANDISE

The holders of → Copyright and → Trademarks and their publishing and distribution partners usually hold the rights to create and produce merchandise based on their works. Counterfeit Merchandise is unlicensed products based on a game. Acting against Counterfeit Merchandise

is usually based on an alleged

- → Trademark or → Copyright infringement, often also on the violation of
- ightarrow Unfair Competition law. Rights holders typically send out
- → Warning Letters.

Data PROTECTION

Data Protection is governed by the EU General Data Protection Regulation (→ GDPR – Datenschutz-Grundverordnung) and the Federal Data Protection Act (Bundesdatenschutzgesetz). As a general rule, all use of → Personally Identifiable Information (PII) must be based on law, consent, or be required for the purpose of a contract or for the purposes of the legitimate interests pursued by the controller or by a third party. Transfer of PII to third parties, including companies within the same group, requires a justification.

The transfer of PII to non-EU-countries is heavily restricted and needs to be reviewed carefully.

DATA SUBJECTS

Data Subjects are natural persons, such as players of games, whose personal data is processed. They are protected in particular by the EU General Data Protection

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Regulation (\rightarrow GDPR), which gives them extensive rights (\rightarrow Data Subjects' Rights).

DATA SUBJECTS' RIGHTS

The EU General Data Protection Regulation (→ GDPR) provides for extensive rights to protect → Data Subjects. These include the right of prompt access to their data. In addition, any person has the right to lodge a complaint with a data protection supervisory authority if they consider that data processing by a data controller violates → Data Protection law.

DIGITAL CONTENT AND SERVICE DIRECTIVE

→ Consumer Law

DIGITAL DISTRIBUTION

Digital Distribution (in contracts sometimes also referred to as electronic software distribution – ESD), is the digital delivery or distribution of games. This is usually distribution over the internet and often relies on third party distribution platforms such as Steam, Epic Games Store, GOG, Origin, Uplay, the PlayStation Network and the various app stores. The EU Commission has been investigating \rightarrow Geo-Blocking on Steam.

DIGITAL MARKETS ACT(DMA)

The EU Digital Markets Act (DMA) aims to regulate

providers of core platform services as so-called Gatekeepers to limit their market-power. Google, Amazon, Facebook, Apple, and Microsoft will most likely be considered Gatekeepers. The concept is similar to the prohibition of the abuse of a dominant position under EU competition law / antitrust law.

DMCA

The US Digital Millennium Copyright Act is generally not applicable to works and services offered in Germany. German law provides \rightarrow Copyright protection, but there are some important differences. In particular, there is no German equivalent to the fair use exception; there are only some exemptions which are partially similar. If an infringement is not remedied upon a complaint, regardless of the form of the complaint, an \rightarrow Interim Injunction against the infringement can be obtained in short term. There is a certain privilege for third party content (e.g. for platform providers and service providers), but in many cases they are liable at least for contribution to an infringement.

DIGITAL SERVICES ACT (DSA)

The EU Digital Services Act (DSA) aims to regulate providers of intermediary services, such as online platforms. The aim is to reduce illegal content online. This might help game companies to fight IP infringements

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online, but can also impose new obligations on games companies, especially in case their games qualify as "online platforms". Online platforms will face detailed regulation e.g. on how to deal with illegal content, personalised advertising and advertising targeted at Minors will be heavily restricted. Shadow banning players might become difficult.

ECJ (EUROPEAN COURT OF JUSTICE)

The ECJ is the EU court for matters relating to European Union law. Its rulings are binding for all Member States of the European Union.

ESPORT

The impact of electronic sports is growing steadily around the world. Legal issues range from the eSports rulebook itself and its enforcement to licensing rights and the protection of minors at live events. Labor law issues arise from the position of the player in the structure of an eSports organization. A constant topic of dispute in Germany is the question of the non-profit status of eSports, which is accompanied by tax benefits.

EULAS

EULAs are only valid in Germany if they are available in the German language. The content of EULAs has to

comply with strict requirements. These are based on the EU Directive on Unfair Terms in \rightarrow Consumer Contracts, which has been incorporated into German law. The \rightarrow FCJ tends to have a very Consumer-friendly approach and regularly declares clauses in Consumer contracts void, even where they are widely used in other EU countries. Sanction in case of a breach can now include GDPR-style fines (\rightarrow Consumer Law).

EXHAUSTION OF RIGHTS

Simplified, this is the European version of the First Sales Doctrine.

 \rightarrow Copyright and other intellectual property rights may be 'exhausted' with respect to an individual physical copy of a video game if the copy has been initially sold with the rights owner's consent. Generally, this does not apply to digital copies. However, the \rightarrow FCJ, based on a ruling of the \rightarrow ECJ, extended this exhaustion to certain types of sale and distribution of digital copies of software, yet not to digital copies in general.

CJ (FEDERAL COURT OF JUSTICE - BUNDESGERICHTSHOF)

The FCJ is Germany's highest court for civil and criminal matters.

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FILE HOSTING SERVICES

File Hosting Services are a common method of distributing small and large files via the internet for private persons who do not own, rent or operate a personal file server. While there are numerous legal uses for File Hosting Services, one of the most common and profitable ways of using anonymous File Hosting Services is to use them to distribute pirated copies of digital content protected by \rightarrow Copyrights. There are a number of popular File Hosting Services which incentivise their users to upload popular content, usually content which should not have been available for free to the public. File Hosting Services try to rely on the \rightarrow Platform Privilege to avoid liability for the infringement on their platform, but there are already court decisions which have even awarded damage claims to Copyright holders suing File Hosting Services.

FILE SHARING P2P

Peer-to-peer File Sharing is a method of copying and distributing digital content between users of a network without a central server which stores the content. It became very popular in the past because it was easy to share and copy → Copyright-protected music, videos and games, but it has become much less popular in recent times, as it is very easy to identify participating users and to act against them for Copyright infringement due to their uploading of the shared files.

GAMBLING

Gambling is restricted in Germany and generally requires an official permit. Foreign permits are not valid in Germany. Gambling is defined as a game of chance, with the possibility of winning a prize, where a stake has to be paid in order to participate. There is a *de minimis* threshold for the stake and under certain circumstances 'entertainment games' are not considered Gambling where there is a chance to win prizes. Whether → Lucky Boxes (also called

→ Loot Boxes) are considered to be 'Gambling' in Germany is hotly contested; at the time of writing, there are no German court decisions declaring Loot Boxes to be Gambling.

GAME RULES

There is an ongoing debate over to what extent game rules are subject to the same restrictions as \rightarrow EULAs. A decision of the Higher Regional Court (*Oberlandesgericht*) of Hamburg held that the game operator is free in defining game rules, without being bound by \rightarrow Consumer protection laws. However, the \rightarrow FCJ qualified the very same rules as General Terms and Conditions of the operator and did not comment on the possibility of separate game rules. Therefore, the question as to how to draw the line between game rules and EULAs remains largely unanswered.

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GDPR (EU GENERAL DATA PROTECTION REGULATION)

The EU General Data Protection Regulation (GDPR), which came into force in May 2018. Typical problems for games companies are \rightarrow Anti-Cheat Measures and

→ Personalised Advertising.

GEO-BLOCKING

In the European Union, access to online services and offers, as well as the payment conditions to which these are subject, must be available equally to every state of the European Union pursuant to the recent regulation on geo-blocking. The provision of

→ Copyright protected work is exempt. Geo-Blocking is also discussed with respect to antitrust laws.

Influencer marketing

As followers of influencers tend to trust the advice of such influencers and are often not aware that what they see and hear is actually a paid advertisement, there are numerous legal requirements on the disclosure of the commercial character of such marketing activities, which vary from platform to platform and also change relatively often due to new court rulings.

INTERIM INJUNCTION

In Germany, it is possible to obtain an Interim Injunction against infringements in a relatively short period of time, i.e. within a couple of days or, in exceptional circumstances, within a few hours. For this purpose, however, a number of conditions must be met, such as meeting a so-called 'urgency deadline', which is usually between four and six weeks from the discovery of the infringement (depending on the court). Typically, a → Warning Letter must be sent before filing for an Interim Injunction.

KEYSELLING

There are several court decisions which consider selling product keys to be a \rightarrow Copyright infringement where the sale is not authorised by the Copyright owner, despite the \rightarrow Principle of Exhaustion.

LOOT BOXES → Gambling

LUCKY BOXES → Gambling

M ERCHANDISE → Counterfeit Merchandise

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METAVERSE

There are currently lively discussions and approaches to the concept of the metaverse. In any case, the use of the Internet as we know it today is becoming significantly more immersive and present. The ultimate online platform – respecting the \rightarrow Digital Services Act (DSA) will be a particular challenge. If the venture succeeds, the providers might also be gatekeepers under the \rightarrow Digital Markets Act (DMA).

MINOR

In Germany, the age of legal majority is set at 18 years. If a video game targets Minors, it must comply with the statutory provisions for \rightarrow Youth Protection and under \rightarrow Consumer Protection Law. In addition, there are stricter limitations on using the \rightarrow Personally Identifiable Information of a Minor (\rightarrow Data Protection), and restrictions on the validity of purchases concluded by a Minor, on the basis of which parents may claim refund of the purchase. Online platforms must not present personalized advertising based on profiling to minors under the \rightarrow Digital Services Act (DSA).

MMOG

Massively multiplayer online games (MMOG) are a type of multiplayer games which allow a large number of players to partake in the same game session, with the recent popular form being battle royal games. Because of the high number of players per session, there is a greater need to prohibit \rightarrow Cheat Bots and other toxic behaviour (such as the trading of non-tradable \rightarrow Virtual Items and operation of \rightarrow Private Servers) and \rightarrow Banning Players violating these prohibitions. Thus, the \rightarrow Game Rules and the \rightarrow EULAs need to be carefully reviewed to ensure enforceability of sanctions for violations. There is especially well established case-law on Cheat Bots, Virtual Items and EULAs.

MODS

A Mod or modification is an alteration by players or fans of a game that changes some aspects or one aspect of a video game. Some of the most popular Mods even later became popular stand-alone games which surpassed the original games on which they were based in popularity, e.g. Counter Strike and DOTA. Mods can extend the popularity of a game and are often tolerated or even encouraged by publishers and developers. However this can change as soon as a mod starts to infringe on third party

→ Copyrights, laws or even just becomes a commercial success.

Legal disputes concerning Mods can be very complex and difficult to resolve.

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N ATIVE ADVERTISING

Native advertising comprises advertising which is adjusted to the medium and environment in which it is displayed. German law is strict on the transparency of advertisements, which must be clearly labelled as such. Therefore, the content and design of advertisements and the need for clarifying notes must be carefully reviewed. In particular, product placement in the content of social media influencers has been subject to objection by German authorities. Where there is insufficient disclosure by the influencer, the advertiser can be held liable for the illegal → Influencer Marketing.

NFTS (non-fungible tokens) → Tokens

PATENTS

Only technical inventions qualify for Patent protection. Software as such is not considered a technical invention. A combination of software and hardware can be a technical invention.

PERSONALISED ADVERTISING

Personalised Advertising means the insertion of advertisements, e.g. into mobile games, which are tailored to the respective user. As a rule, this is only possible by tracking user behaviour. As the associated

data processing may constitute an encroachment upon the user's rights, a separate justification under → Data Protection law is generally required for this processing. Personalised Advertising will be subject to an even stricter regulation under the → Digital Services Act (DSA).

PII (PERSONALLY IDENTIFIABLE INFORMATION)

Personally Identifiable Information (PII) or 'personal data' in the sense of \rightarrow Data Protection laws means any information relating to an identified or identifiable natural person. This includes not only unique identification data such as a person's name or date of birth, but also online identifiers and other markings and information that can be associated with a particular person.

PLATFORM PRIVILEGE

In principle, platform operators enjoy the so-called 'Platform Privilege', according to which they are not directly liable for infringements by third parties on the platform, except under certain conditions. However, German and European case law has permitted some exceptions to this, for example if the platform operator plays an overly active role or has asked for exhaustive rights to → User-Generated Content and thus makes the content its own. In these cases, the platform operator is directly liable, as if it had committed the infringement

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itself. The → Digital Services Act (DSA) will bring some changes to the platform privilege.

PLAY TO EARN → Tokens

PRIVACY POLICY

Under \rightarrow Data Protection laws, every person has the right to know which of their \rightarrow PII is processed, to what extent and for what purposes. This information must be summarised in a Privacy Policy that is easy to understand and is readily accessible at any time, e. g. on a game publisher's website.

PRIVATE SERVERS

Private Servers are also called 'pirate servers' and are essentially unlicensed game servers for → MMOGs. Usually only the developer and the publisher should have access to the software required to run a game server for one of their games, but this is not always the case. Private Servers are a big danger to the commercial success of an MMOG and can be dealt with under → Copyright law.

PROTECTION OF MINORS → Youth Protection

PROVIDER'S LIABILITY

An operator of online services and platforms where users can also independently upload information or \rightarrow User-Generated Content can be liable for such content violating laws or rights if they know of the violating content or if they make the content their own. However, platform operators' liability is generally limited by the \rightarrow Platform Privilege.

PURCHASES BY MINORS

Contracts concluded by \rightarrow Minors generally require the consent of a parent or guardian in order to be legally valid. If consent is not given, the Minors can usually reclaim their money.

RIGHT OF WITHDRAWAL

For purchases made over the internet and, consequently, also for purchases through in-game shops, purchasers generally have a Right of Withdrawal. This can cause problems for the game provider, as according to German and EU law the \rightarrow Consumer does not have to pay compensation for the value of the \rightarrow Virtual Item and/or \rightarrow NFT after withdrawing from the contract. In Germany, very specific language has to be used to inform the purchaser of the Right of Withdrawal. As a consequence of the new EU \rightarrow Consumer Law, consumers now also have a right of withdrawal if they "pay with data", e.g. in free 2 play

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games. After the right of withdrawal has been exercised, content provided by the user must generally no longer be used.

Sanitisation

Sanitisation is the legal localisation of game content, in which content which is deemed illegal in certain countries is removed from the game and replaced with legal content. The most famous example has been the removal of Nazi symbols from video games for the German market, but similar requirements also exist in other countries. Recently, Nazi symbols have been found permissible in games under certain (strict) conditions.

SEARCH ENGINE MARKETING (SEO, SEA)

Using a third party's trade name, → Trademarks and similar rights as keywords for Search Engine Marketing can infringe their rights.

STREAMING OF GAMES

Streaming of Games (also called Cloud Gaming) is considered to be one of the next steps for the games industry. In the future, players will no longer need expensive hardware to play games with high resolution graphics but can experience the game entirely on the internet via so-called streaming boxes or other devices

capable of streaming games. Several service which offer such streaming are already live. The Streaming of Games affects the drafting of contracts. This is partly due to the fact that streaming is different from previous forms of distribution, e.g. in physical form on discs or other storage mediums or in digital form as downloads. Therefore, such technology has, for example, effects on licensing agreements. In this context, game providers should pay attention to ensuring that all of their provided content is sufficiently licensed. In addition, streaming technology leads to different business models such as, for instance, subscription models to whole game catalogues instead of individual purchases and therefore different contractual relationships with players (long-term contracts instead of individual purchase contracts). This is already a visible trend. This may also raise issues with regard to player support, e.g. if a games provider decides to discontinue certain services.

TITLE RIGHTS

The name of a game is generally protected as a Title Right, at least once the game is released. Under certain conditions, Title Rights can come into existence before the game is released. Title Rights grant protection which is slightly narrower than → Trademarks.

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TOKENS

Non-fungible tokens (NFTs) and fungible tokens have been controversially debated, partly for their energy consumption and partly for the play to earn concept for which they are often used. Banking laws should be examined closely, and they provide unique challenges for IP, data protection, consumer and tax law.

TPM (TECHNICAL PROTECTION MEASURES)

The circumvention of Technical Protection Measures for video game content is prohibited under German and EU law. Technical Protection Measures can be implemented, for example, in the game software or in the device. Even the game cartridge can qualify as a form of TPM. However, Technical Protection Measures for video game content (not just software) must be proportionate: a TPM is not proportionate if there is another measure which causes less interference with third party activities not requiring authorisation by the right holder, while still providing a comparable (high) level of protection.

TRACKING

Tracking in games is not only used for displaying → Personalized Advertising, but also for → Analysing Player Behaviour. Tracking data collected on the player's end device is subject to German Telecommunication-Telemedia Data Protection Act (TTDSG), even when the

data is not qualified as → Personal Data. Tracking usually requires the player's consent, not only on websites through cookie banners, but also in games. Violations of the TTDSG are subject to a fine.

TRADEMARKS

Generally, Trademark protection can only be claimed for the countries where the Trademark is registered. Yet, in addition to national Trademarks, a Union Trademark can be registered which enjoys protection in all Member States of the European Union. Non-registered Trademarks can enjoy protection when they are well-known, but the threshold is high. \rightarrow Title Rights are protected even without registration.

UNFAIR COMPETITION

Businesses offering goods or services on the German market must comply with German laws against Unfair Competition. In particular, intransparent behaviour and products and services in violation of other specific laws may constitute Unfair Competition. Products and services targeting children are subject to strict regulation. Should a competitor breach Unfair Competition laws, a \rightarrow Warning Letter may be sent prior to seeking a court decision (such as an \rightarrow Interim Injunction). As far as consumers are concerned, GDPR-style fines can now

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be imposed for some breaches of Competition Law (→ Omnibus Directive, Consumer Law).

URGENCY PERIOD → Interim Injunction

USER-GENERATED CONTENT (UGC)

User-Generated Content (UGC) refers to content, in particular media content such as text and images, but also audio and video contributions that are generated by the users themselves. For instance, this content can be created on the game provider's platform or directly within in the game. It is then usually accessible to all other users and generally free of charge. UGC raises a number of questions, especially from a → Copyright perspective. On the one hand, the question arises as to what extent the content created by users is protected by Copyright. On the other hand, the question arises as to what extent users must be granted a share in the revenues generated with their content. As some UGC may be protected by Copyright law, valid permission of the user is important for providers to use UGC for their own purposes. If such permission is included in the → EULAs, it must comply with the EU Directive on Unfair Terms in Consumer Contracts in order for it to be valid. UGC can now also be relevant for → Age Rating and under the → Digital Services Act (DSA), which in particular restricts the right to continue to use UGC after the termination of the license contract with the creator.

USK → Youth Protection

VIRTUAL CURRENCY

Virtual Currency is digital currency which can be used in some video games to acquire \rightarrow Virtual Items. If the currency can be bought with real money, the user generally has the \rightarrow Right of Withdrawal. Also the sale of Virtual Currency must comply with laws on \rightarrow Unfair Competition, notably transparency requirements. Further requirements and restrictions can be found in banking laws, e.g. regarding payment services or e-money.

VIRTUAL ITEMS

Virtual Items are digital items which can be acquired in video games, e.g. with \rightarrow Virtual Currency or real money. They are increasingly linked to \rightarrow NFTs. In-game offers for Virtual Items as well as advertising for these (ingame and outside the game) must be transparent and not misleading to avoid being classed as prohibited \rightarrow Unfair Competition. If a game is specifically targeted at \rightarrow Minors, these requirements are particularly strict and must be reviewed very carefully, as \rightarrow Consumer Protection Bodies in particular have been known to bring such cases to court. If a Virtual Item can be bought with real money, the \rightarrow Right of Withdrawal generally applies to the purchase. However, there is some debate on whether the Right of

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Withdrawal applies to purchases of Virtual Items paid for with Virtual Currency which has been bought with real money.

VIRTUAL REALITY (VR)

Virtual Reality is a particularly immersive experience, especially in gaming, which requires specific hardware. Because of the added immersion, the \rightarrow Age Rating of a game may change even if comparable games without the VR features are suitable for these age groups. Under \rightarrow Copyright law, virtual reality can constitute a new type of use, so that the granting of additional rights is often required.

Warning Letter

A company may send a Warning Letter to an infringer in response to an infringement of its intellectual property rights or in response to practices of → Unfair Competition in order to swiftly address the infringement prior to seeking a court decision. The Warning Letter typically includes the request to cease the infringement and desist from similar acts in the future, as well as, generally, a proposal for a cease-and-desist declaration with a penalty clause. The costs accrued in producing the Warning Letter must be reimbursed by the infringer. → Consumer Protection Bodies may also send Warning

Letters regarding the infringement of \rightarrow Consumer protection laws.

Youth PROTECTION → Age Rating → Banned Games

This flyer is of general informative nature only. It cannot, does not, and is not intended to provide specific advice as to the laws and regulations of the Federal Republic of Germany or to any specific case. While it has been compiled with great care, we do not assume any liability with respect to the correctness or completeness of the information contained in this handbook.

GAME OVER

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WHAT WE DO FOR THE INDUSTRY

Labour Law
Monetising games
Raising finance for games companies & games projects
In-game currencies & purchases
Development contracts
M&A in the games industry
Tax
Distribution contracts
Protection of minors
Advertising, marketing & promotion
Protecting games and their IP
Search engine marketing & domain disputes
Leveraging a games IP for merchandising
Contests
Litigating disputes in courts
EULAs, terms of service & small print
Packaging and labelling
Banning and muting players
User data
Licensing deals
eSports and events
Antitrust

WE DEFINE GAMES LAW IN GERMANY

SINCE 2001, OUR LAWYERS SHAPE GAMES LAW:

- Work on virtual goods since 2006
- First European court judgement against cheat bots
- First European court judgement against gold sellers
- First European court judgement against gold selling forum
- First German court judgement awarding a claim for damages against a file hoster to a games publisher
- First case lifting the ban of a computer game
- First German interim injunction against keysellers
- First German interim injunction against selling of games through Steam's gift function
- Landmark cases for banning players of MMOGs
- First European cross border seizure of cheat bot servers
- First German court judgement against PEGI imports

WHAT OTHERS SAY ABOUT US

Advant Beiten is Top Tier 2021
in the games sector.
"Advant Beiten's gaming team enjoys an excellent
reputation in the industry and is retained by a number
of top gaming studios and publishers. Andreas
Lober has a broad knowledge base and is very quick
to respond." (The Legal 500 Germany 2021)

Dr Andreas Lober is listed as an IP Star in the fields of trademark and copyright law. (IP Stars 2022)

Clients consider him "one of the leading names in the gaming field."

Dr Andreas Lober is recommended.

(Chambers Europe 2022)

Dr Andreas Lober is recommended as "TOP Lawyer 2021" in the field of copyright law.
(WirtschaftsWoche 2021)

Dr Holger Weimann is recommended.

"Very competent in all matters, especially media, consumer, contract and competition law.

Weimann is a central contact and extremely fast and successful in enforcing claims.",

"Holger Weimann an absolute specialist in software contracts." "High availability, excellent competence.

contracts.", "High availability, excellent competence, good negotiator and high ability to think in operationally feasible and timely solutions, very good client care, high reliability.", Clients (The Legal 500 Germany 2022 & The Legal 500 EMEA 2022)

The industry journal JUVE lists Dr Holger Weimann as frequently recommended lawyer in Trademark,
Design and Competition Law.
"highly recommended as a litigator", Client
(JUVE* 2021/2022)

The industry journal JUVE lists Dr Holger Weimann as frequently recommended lawyer in the fields of Trademark, Design and Competition Law, and in Copyright and Contract Law.
"Grandseigneur in Media and Press Law", "very experienced, absolutely reliable, great in court", Clients "careful handling of proceedings with high commitment and dedication, pleasant to work with", Competitor (JUVE* 2020/2021)

"Susanne Klein: 'Best knowledge.
Solution-oriented'."
"Susanne Klein is available 24/7 and delivers
very good results."

(The Legal 500 Germany 2021 and The Legal 500 EMEA 2021)

* JUVE Handbook German Commercial Law Firms.

This handbook is a reference, compiled by independent editors, which provides information on and an evaluation of the services of law firms with registered offices in Germany.









YOUR GAMES AND DIGITAL MEDIA EXPERTS



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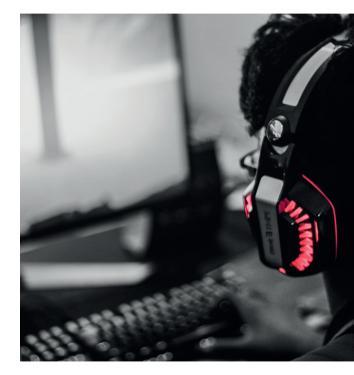
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