

September 2017

## Weird Science! It's My Creation . . . Is It Really? Or: Crafting a New Universal Trademark Standard for User-Created Avatars

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### Recommended Citation

Ryan Esparza, *Weird Science! It's My Creation . . . Is It Really? Or: Crafting a New Universal Trademark Standard for User-Created Avatars*, 8 Pace. Intell. Prop. Sports & Ent. L.F. 120 (2017).

DOI: <https://doi.org/10.58948/2329-9894.1073>

Available at: <https://digitalcommons.pace.edu/pipself/vol8/iss1/6>

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## Weird Science! It's My Creation . . . Is It Really? Or: Crafting a New Universal Trademark Standard for User-Created Avatars

### Abstract

In modern trademark law the process of registering a valid trademark is straightforward. In the United States the Lanham Act is the ruling law of trademark law. The Lanham Act grants protection to the owner of a registered mark which is distinctive and used in commerce. Assuming all the requirements are met, the owner of a mark can use the mark within its discretion and enjoy the protection under the Lanham Act. As trademark law has continued to evolve, the law has expanded to protect previously unforeseen categories. The two most obvious examples which demonstrate the evolution of protection under trademark law are trade dress and antidilution protection.

These two areas demonstrate trademark law's ability to evolve to address areas not recognized through established law. Nowhere is an adaptation of trademark law required more than in user-created avatars. The emergence of user-created content has begun to become a common occurrence within the areas of electronic media. Video games can currently give players a blank slate upon which they can build their own creation. Issues however arise when there are inquiries into who legitimately owns these creations and what protections they are afforded.

### Keywords

trademark law, trade dress, avatars, commerce, user-created content

PACE INTELLECTUAL PROPERTY, SPORTS &  
ENTERTAINMENT LAW FORUM

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VOLUME 8

FALL 2017

NUMBER 6

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WEIRD SCIENCE! IT'S MY CREATION . . . IS IT REALLY?  
OR:  
CRAFTING A NEW UNIVERSAL TRADEMARK  
STANDARD FOR USER-CREATED AVATARS

*Ryan Esparza*

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## INTRODUCTION

In modern trademark law the process of registering a valid trademark is straightforward. In the United States the Lanham Act is the ruling law of trademark law.<sup>1</sup> The Lanham Act grants protection to the owner of a registered mark which is distinctive and used in commerce.<sup>2</sup> Assuming all the requirements are met, the owner of a mark can use the mark within its discretion and enjoy the protection under the Lanham Act. As trademark law has continued to evolve, the law has expanded to protect previously unforeseen categories. The two most obvious examples which demonstrate the evolution of protection under trademark law are trade dress and antidilution protection.<sup>3</sup>

“Trade dress developed to the design and shape of the materials in which a product is packaged. Product configuration, the design and shape of the product itself, may also be considered a form of trade dress.”<sup>4</sup> The other development in evolution of trademark law has been in dilution protection. Dilution protection is meant to protect a famous mark in the use of commerce against substantial similarity. In addition, the similarity must “by [its] association reduce, or is likely to reduce, the public's perception that the famous mark signifies something unique, singular or particular.”<sup>5</sup>

These two areas demonstrate trademark law’s ability to evolve to address areas not recognized through established law. Nowhere is an adaptation of trademark law required more than in user-created avatars. The emergence of user-created content has begun to become a common occurrence within the areas of electronic media. Video games can currently give players a blank slate upon which they can build their own creation. Issues however arise when there are inquiries into who legitimately owns these creations and what protections they are afforded.

The material for creation provided to players by developers could be so narrow that the developers could foresee any possible creation in which a user could theoretically create. On the other hand, developers may provide such an in-depth catalogue of customizable options that they could never foresee

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<sup>1</sup> Arthur R. Miller & Michael H. Davis, *Intellectual property: patents, trademarks, and copyright in a nutshell* 167-170 (2012).

<sup>2</sup> *Id.*

<sup>3</sup> Cornell University Law School, *Trademark*, LEGAL INFORMATION INSTITUTE, <https://www.law.cornell.edu/wex/trademark> (last visited Mar. 27, 2017).

<sup>4</sup> Cornell University Law School, *Trade Dress*, LEGAL INFORMATION INSTITUTE, [https://www.law.cornell.edu/wex/trade\\_dress](https://www.law.cornell.edu/wex/trade_dress) (last visited Mar. 27, 2017).

<sup>5</sup> Cornell University Law School, *Dilution*, LEGAL INFORMATION INSTITUTE, [https://www.law.cornell.edu/wex/dilution\\_trademark](https://www.law.cornell.edu/wex/dilution_trademark) (last visited Mar. 27, 2017).

the types of creations users could construct. Due to this recent development of in-depth customizability and creation, traditional trademark law fails to properly address this area. User-created avatars do not properly fall within a clearly defined area of trademark protection, because of this a new standard of protection is required in order address marks created by users.

## I. BACKGROUND

A valid trademark will generally consist of words, phrases, logos and symbols used to identify goods.<sup>6</sup> In addition, trademark protection has also extended to shapes, sounds, fragrances and colors. However, if there is a functionality linked to the mark, then this can destroy the validity of a mark. The consensus within trademark law is that functional features may not be trademarked.<sup>7</sup> In order to receive protection of a valid trademark, the mark must meet two requirements. The mark must be used in commerce and it must be distinctive.

### A. Requirements for Registration of a Mark

The first requirement for protection of a trademark requires that the mark be used in commerce. “The term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.”<sup>8</sup> The Lanham Act goes on to detail that a mark will be deemed to be in use in commerce when one of two conditions are met. The first portion of the statute requires the mark’s placement, in any manner, on the good, containers, tags or labels affixed to the product.<sup>9</sup> If this cannot be achieved because placement on the good is impracticable, then a second avenue is provided which allows for the mark’s affixation on documents associated with those goods or their sale.<sup>10</sup> These proofs, or specimens, are meant to show the mark is used in the common marketplace where purchasers would encounter them.<sup>11</sup>

Alternatively, if a mark is not yet in use in commerce at the time an application for registration is filed, then it may be permissible to file an intent to use application. An intent to use in commerce maintains a few requirements, namely good faith intent that the mark will be used in

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<sup>6</sup> 22 Am. Jur. Proof of Facts 3d 691 (Originally published in 1993).

<sup>7</sup> *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32 (2001).

<sup>8</sup> 15 U.S.C. § 1127.

<sup>9</sup> *Id.*

<sup>10</sup> 15 U.S.C. § 1127.

<sup>11</sup> *Basic Facts About Trademarks*, UNITED STATES PATENT TRADEMARK OFFICE <https://www.uspto.gov/sites/default/files/trademarks/basics/BasicFacts.pdf> (last visited Mar. 27, 2017).

commerce at a future date. Until actual use of the mark is established in the marketplace with goods or services then registration of the mark is not complete.<sup>12</sup> However, the benefit of an intent to use application is that it begins the registration process without requiring you wait to establish use in the mark first.<sup>13</sup> Generally, this becomes valuable if a party needs to demonstrate priority arises.

The second requirement to ensure registration and trademark protection is distinctiveness. “Trademarks are traditionally divided into four categories of distinctiveness: arbitrary/fanciful, suggestive, descriptive, and generic.”<sup>14</sup> An arbitrary, or fanciful, mark is considered to be the strongest type of mark. It will have no relationship to the product or service it identifies. Suggestive is the next strongest mark, and as this mark suggests the product it identifies. The mark requires some kind of leap in imagination to find a connection.

If a mark does not qualify as distinctive under arbitrary or suggestive, then it may still be possible to qualify under descriptive. Descriptive marks simply describe the products they identify, and due to this must have secondary meaning in the consuming public in order to achieve validity. Secondary meaning can be proven in the following manners:

- Amount and manner of advertising,
- volume of sales,
- length and manner of use, and
- survey evidence<sup>15</sup>

Assuming these are favorable to the mark owner then secondary meaning should be proven and they will be granted trademark protection. The final type of marks are generic marks, and they will destroy any type of validity in the mark. Generic marks actually define the product or service while descriptive marks merely identify a significant characteristic. Lack of secondary meaning in a descriptive mark or designation as a generic mark will prevent protection and validity of the trademark.

### *B. Trade Dress*

Trade dress is the “design and shape of the materials in which a product is packaged. Product configuration, the design and shape of the product

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<sup>12</sup> *Intent-to-Use (ITU) Applications*, UNITED STATES PATENT TRADEMARK OFFICE, <https://www.uspto.gov/trademarks-application-process/filing-online/intent-use-itu-applications#1> (last visited Mar. 27, 2017).

<sup>13</sup> *Id.*

<sup>14</sup> Cornell University Law School, *supra* note 3.

<sup>15</sup> Miller, *Intellectual property: patents, trademarks, and copyright in a nutshell* 186-187 (2012).

itself, may also be considered a form of trade dress.”<sup>16</sup> There are three types of trade dress: product packaging, product design, and tertium quid. Product packaging can be inherently distinctive, meaning that there is no need to prove secondary meaning. Alternatively, product design is never inherently distinctive and secondary meaning must be shown in order to receive protection.

The last type of trade dress is tertium quid which is something similar to product packaging. Despite being treated in the same manner as product packaging, it does not necessarily fit into packaging or design. To clarify, tertium quid derives from the case *Two Pesos, Inc. v. Taco Cabanna* which involved alleged infringement on Taco Cabanna’s restaurant design by Two Pesos.<sup>17</sup> Courts have been hesitant to apply tertium quid because there is still ambiguity as to what tertium quid consists of. If a court cannot determine what type of trade dress to apply, then product design will be applied and then secondary meaning will be required.

### C. Defenses

The most common trademark defenses against infringement generally consist of the following:

- Laches
- Unclean Hands
- Fraud
- Abandonment
- Fair Use
- Parody<sup>18</sup>

Laches is applied as a defense by claiming a plaintiff delayed in asserting its rights. Unclean hands measures misconduct by the owner of the mark and balances those acts with the wrongs of the other party. Fraud alleges that the mark was obtained through knowingly relaying some falsity to the Patent and Trademark Office. Use of abandonment as a defense will typically require three years of prima facie abandonment. This means that for three consecutive years the mark owner failed to maintain continued use.

Fair Use is an affirmative defense which consists of two divisions. Fair Use in its classic form consists of the junior user using a mark in a non-trademark sense. Essentially, the mark is used in a manner which describes their goods or services. Alternatively, Nominative Fair Use uses the mark to

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<sup>16</sup> Cornell University School of Law, *supra* note 4.

<sup>17</sup> See generally, *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

<sup>18</sup> Miller, *Intellectual property: patents, trademarks, and copyright in a nutshell* 292-297 (2012).

describe the plaintiff's goods or services. Under Nominative Fair Use the product or service in question is one which is not identifiable without use of the trademark. However, there is a limitation upon usage of the mark which requires only as much usage which is reasonably necessary to identify the product or service.

Parody comes about as a defense by arguing that trademark infringement has not occurred because there is no likelihood of confusion.<sup>19</sup> Parody is examined through the scope of the ordinary viewer and whether they will be deceived or confused by the alleged parody. In plain terms the ordinary observer will be able to disassociate the two marks from one another, but will understand that the connection between the two exist only as a means of commentary.<sup>20</sup> This commentary can consist of numerous things including a joke at the product or company's expense or general satire on the product.<sup>21</sup> A successful parody will leave the ordinary observer with the perception that the defendant is not connect in any way with the owner of the original mark.

## II. USER-CREATED CONTENT IN THE VIRTUAL WORLD AND REAL WORLD

User-Created content has provided a unique avenue which lacks proper exploration by trademark law. The assets of user-created avatars provides an interesting avenue for traditional elements of trademark law. These assets are being used in an non-traditional manner which is distinct from normal trademark practice. The vast reach of online communities, namely the video game community, brings to light the possibility that traditional trademark requirements, such as the mark being used in commerce, might be achieved through an alternative means and manner in the virtual space of video game entertainment and media. However, this new avenue also brings about issues which have been traditionally straightforward like distinctiveness. Despite this area of trademark having several unanswered questions surrounding it, there is some clarification which if pieced together could give clarification on how trademark law does and should treat user-created content.

### A. *The Registration of Aimee Weber: A Second Life Avatar*

A vital answer to the question of if user-created content can gain registration has already been provided through the registration of the Second Life avatar Aimee Webber. Second Life allows users to customize their avatars and gives the individual a vast number of options for customization. Second Life refers to its virtual world as a living space where individuals can

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<sup>19</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, §31:153 (4th ed. 2010).

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*



run business, work jobs, have homes, attend universities, or engage in any activity possible in life, except in a virtual space. Second Life even has an in-world Patent and Trademark Office.

In 2008, the United States Patent and Trademark Office approved US Trademark Registration 77110299.<sup>22</sup> This trademark registration belongs to Alyssa LaRoche and involved LaRoche's Second Life avatar Aimee Weber. The description of the mark, which was used to identify computer services, is as follows:

"The color(s) black, white, green, peach and blue is/are claimed as a feature of the mark. The color blue appears in the wings and the hair accessories. The color green appears in the shirt and skirt. The color black appears in the hair, eyes, eyebrows, lips, glasses, necklace, bra, waistband, in the striped pattern on the arms and stockings, as well as the toe and calf areas of the boots. All the elements of the drawing are also outlined in black. The color white appears in the eyes, the striped pattern on the arms and legs, as highlights on the black toes of the boots, on the front of the boots, and in the laces. The color peach appears in the skin."<sup>23</sup>

The approval of the Aimee Webber avatar is significant for a few reasons. First, it shows that virtual services can be significant enough to obtain a valid trademark registration. Second, the approval indicates that an avatar is capable of being used in commerce even in a virtual or online medium. Prior to registration, LaRoche was using the Aimee Weber avatar for in-world marketing for both in-world created businesses and for real world businesses such as NBC Universal and American Apparel to name a few.<sup>24</sup>

In addition, LaRoche maintained an in-world clothing brand named PREEN in which her avatar was used to promote and sell the in-world clothing to other users of Second Life. The avatar was used to build other in game projects for players, manage other in game projects, and produce in-game movies. Through accepting LaRoche's registration the USPTO seems to acknowledge that avatars can engage in commerce through virtual spaces. LaRoche's primary means of engaging in commerce was through the virtual world of Second Life, because even though she received payment in the real world as well, it still tied into the world of Second Life.

The Aimee Weber avatar had become so recognized within the

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<sup>22</sup> Gene Quinn, *Second Life Avatar Receives Trademark*, IP WATCHDOG (Nov. 18, 2008), <http://www.ipwatchdog.com/2008/11/15/second-life-avatar-receives-trademark/id=262/>.

<sup>23</sup> US Trademark Registration 77110299.

<sup>24</sup> *Virtual Content Creation and Services*, AIMEE WEBER STUDIO, <http://www.aimeeweber.com/AWSServices/index.html>.

community that LaRoche was receiving income from in-game from marketing her own virtual clothing brand.<sup>25</sup> That in-game income could then be exchanged for real world income.<sup>26</sup> In addition, LaRoche could be hired through her website to market for companies within Second Life. If another avatar can have a similar link to commerce, whether in a virtual world or real world, then LaRoche's registration implies it may favor the user-creator in finding there is sufficient use in commerce.

### B. A Virtual Economy

Virtual mediums, specifically massively multiplayer online games (MMO), generally provide a unique form of commerce because they can typically consist of an economy that is built into the virtual world itself. Within this virtual economy you can have the exchange of goods or services, and for some of these virtual platforms there is an avenue for individuals gain access to real world income. In fact, there are websites dedicated to the sale of assets in the virtual world for real world money.

In Project Entropia, a virtual island sold for \$30,000 and a virtual space station sold for \$100,000.<sup>27</sup> Within some of the virtual worlds there consists banks, brokerage houses, auction houses, or other financial institutions.<sup>28</sup> These in-game institutions, in most cases, maintain some connection to real world currency even if the exchange of currency occurs through third-party platforms.

Further, the virtual economies of these worlds can be very lucrative for some players. A BBC article noted that at one point some players of the game Everquest were making higher average incomes than individuals in some Eastern European countries.<sup>29</sup> For a brief period Congress considered implementing a tax on virtual property due of the flow of money within some of these virtual worlds.<sup>30</sup> Typically these virtual worlds are not small places, and theoretically this creates an avenue for more people to interact. It's highly probable that a virtual business could encounter more browsers or shoppers than a business in the real world.

Further, within several games the marketing of individual business has become a consistent presence. There are several MMOs which have

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<sup>25</sup> Brittany Frandsen, *Is Using Call of Duty in This Comment Infringement?*, 2016 B.Y.U. L. Rev. 295, 311 (2016).

<sup>26</sup> *Id.*

<sup>27</sup> Sean F. Kane & Benjamin T. Duranske, *Virtual Worlds, Real World Issues*, 1 *Landslide* 8, 10 (2008).

<sup>28</sup> *Id.*

<sup>29</sup> Kane, *Virtual Worlds, Real World Issues* at 10.

<sup>30</sup> *Id.*

incorporated real world products onto in-game billboards.<sup>31</sup> In addition, users in certain MMOs have advertised their in-game businesses or services in the same manner as these companies. Real world businesses funnel money into the game for the sake of marketing their brands to the player bases. Ultimately, they seek to sale their products or services. In-game businesses and players are engaging in the same activity when they attempt to market their own products or services.

In the MMO Diablo III, an auction house was implemented into the game that allowed users to buy and sell items within the game for real money. For these virtual spaces there are both an indirect and direct exchange between in-game funds and real world currency for virtual goods and services. Stepping back, it appears that there is less distinctiveness between a virtual economy and a real-world equivalent.

### *C. Use of an Avatar in Commerce*

To ensure that an avatar is being used in commerce, there are two avenues the owner can take. The first route the mark owner can take is a more traditional means. There is no doubt an avatar can be used as if it were any other mark and place the mark on a label, tag, container, or display. For example, an avatar could theoretically be used in the same manner Nike uses the Swoosh as brand identifying.

The second route the owner of the avatar mark can take is using the brand in the virtual world itself. Under this option it becomes more difficult to say definitively how the use in commerce requirement is satisfied. With the Nike Swoosh example, it is easier to identify that mark as being used in commerce because there are physical representations of it being used in such a manner.

If a mark is being purely used in a virtual manner, physical representation is usually difficult to obtain. This can become an issue because the mark owner is required to submit a specimen of the mark being used in the manner detailed in the application.<sup>32</sup> The registration for the Aimee Weber avatar states that it is used for computer programming services, specifically content creation for virtual worlds and three dimensional platforms.<sup>33</sup> Below is the

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<sup>31</sup> Mathew McCurley, *What does brand advertising mean for the MMO?*, ENGADGET (Jan. 27, 2012), <https://www.engadget.com/2012/01/27/what-does-brand-advertising-mean-for-the-mmo-part-1/>.

<sup>32</sup> Sharon K. Lowry, *Property Rights in Virtual Reality: All's Fair in Life and Warcraft?*, 15 *Tex. Wesleyan L. Rev.* 109, 132 (2008).

<sup>33</sup> US Trademark Registration 77110299.

specimen LaRoche submitted for her Aimee Weber avatar.



Just based off the description of how her mark, it would seem the service described by LaRoche would be difficult to prove. However, for service marks the specimen of use must show that the mark is used in the sale or advertising of the service you list on the application<sup>34</sup> Similarly, EROS, LLC., sought to register their mark SexGen; virtual adult themed merchandise which allowed avatars to simulate sexual activity.<sup>35</sup> Initially after the application was submitted, the USPTO notified EROS that screenshots of the packaging of SexGen products was not acceptable as a specimen.<sup>36</sup> The reason for the initial unacceptability was due to them failing to show use of the mark with the specified good.<sup>37</sup> Since the specified goods involved was software which animated the avatars, it was difficult to meet the requirement.<sup>38</sup>

In order to simplify the application process EROS change the discretion of the goods from scripted animation to providing non-downloadable software for use in virtual worlds.<sup>39</sup> In addition, EROS submitted a substitute specimen which showed an in-game display of the SexGen products in the virtual store where they were sold.<sup>40</sup> The USPTO finally accepted the specimen submission, but issued a Final Refusal due to the deficiencies of

<sup>34</sup> TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMEP), UNITED STATES PATENT AND TRADEMARK OFFICE (Oct. 2017), <https://tmep.uspto.gov/RDMS/TMEP/current#/current/TMEP-1300d1e266.html>.

<sup>35</sup> G. Ross Allen, Francine D. Ward, *Things Aren't Always As They Appear: Who Really Owns Your User-Generated Content?*, 3 *Landslide* 49, 52 (2010).

<sup>36</sup> Lowry, *supra* note 32.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> Lowry, *supra* note 32, at 132.

<sup>40</sup> *Id.*

the product description.<sup>41</sup> The USPTO suggested an alternate description: “Providing temporary use of non-downloadable software for animating three-dimensional virtual characters”.<sup>42</sup> While far from EROS’ original description, EROS accepted the revised description from the USPTO, successfully registering SexGen.<sup>43</sup>

The USPTO did not say explicitly that there needs to be some form of link between in-game commerce and real world commerce, but it is highly likely this was a contributing factor as to why LaRoche received registration on her avatar. The currency in Second Life can be exchanged for real world currency based upon market value of the in-game Linden Dollar.<sup>44</sup> As noted earlier, the same is true of other virtual worlds, whether directly or indirectly. The USPTO has seemed to settle that these virtual economies are fully capable of supporting commerce. However, the use in commerce requirement for the registration process still maintains some unanswered questions.

For both EROS and LaRoche, their difficulty involving registration of their marks derived from an inability to properly describe their marks and improper submission of a specimen. EROS had to deviate from their original description submitted in their application and because of this the description was not entirely accurate to the mark anymore. On the other hand, LaRoche’s description was accurate but didn’t encompass the entirety of her mark’s use. For both virtual marks it was difficult to prove an exact relation to how the mark was being used in commerce.

Establishing a consistent manner for the proper submission of virtual mark specimens will need to be an integral part of any new standard crafted, especially for future avatar registrations. However, it is apparent that, even with a more complicated route to registration, an avatar is more than capable of achieving use in commerce. Assuming an avatar reaches a proper level of distinctiveness and is engaged in commerce, then there is no reason why it could not be a valid mark.

#### *D. Ownership Issues*

##### 1. User-Agreements

Second Life’s policies on the intellectual property rights of its users is a unique when compared to several virtual worlds. This is due to the fact that the developer of Second Life, Linden Labs, allows for the users to maintain

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<sup>41</sup> *Id.* at 133.

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* at 114.

intellectual property rights on products they develop within the game. Neither the Aimee Weber avatar or SexGen faced a challenge by the Second Life developer during their attempts to register their marks. In fact, Linden Labs leaves ownership of user-created content to the users who create such content, unless there is some violation of the user-agreement.

If there is a violation of the user-agreement, then Linden Labs maintains the right to suspend or cancel the users account. However, Linden Labs places no limitation on created content within Second Life except for those that infringe on any of Linden Labs' trademarks.<sup>45</sup> Several games include in their user agreements sections addressing development of intellectual property from in-game assets. This typically provides the developer or publisher the rights and authority to control any intellectual property which may develop through their in-game assets.

How enforceable are these user-agreements? Courts have generally upheld user agreements when the users were required scroll through the terms and are forced to click on "I Agree"; "I Acknowledge; or some variation.<sup>46</sup> Even if users failed to read the entirety of the agreement, courts have held the user-agreement to be enforceable.<sup>47</sup> The exceptions to enforceability involve "objectionable...grounds applicable to contracts in general, such as illegality or unconscionability."<sup>48</sup> In *Bragg v. Linden Research, Inc.*, the plaintiff challenged the Second Life user-agreement after Linden Labs deleted his account.<sup>49</sup> The plaintiff bought parcels of land in Second Life for \$300, and discovered a glitch which allowed for the artificial inflation of its value.<sup>50</sup> Linden Labs felt this exploitation was a violation of their terms and deleted the plaintiffs account prevent access to his virtual land.<sup>51</sup>

In the complaint, the plaintiff argued that Linden Lab's computer code was "designed and intended to act like real world property that requires the payment of U.S. dollars to buy, own, and sell that property and to allow for the conveyance of title and ownership rights in that property separate and apart from the code itself".<sup>52</sup> The judge acknowledge in the opinion that,

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<sup>45</sup> Linden Labs, *Guidelines for Using Linden Lab's Trademarks*, LINDEN RESEARCH, INC., <https://secondlife.com/corporate/brand/trademark/> (last visited Mar. 27, 2017).

<sup>46</sup> Allison S. Brehm & Cathy D. Lee, "Click Here to Accept the Terms of Service", *Comm. Law.*, Winter 2015, at 4, 5.

<sup>47</sup> *Id.*

<sup>48</sup> 15B Am. Jur. 2d Computers and the Internet § 106.

<sup>49</sup> Tiffany Day, *Avatar Rights in A Constitutionless World*, 32 *Hastings Comm. & Ent L.J.* 137, 144 (2009).

<sup>50</sup> Steven Hetcher, *User-Generated Content and the Future of Copyright: Part Two-Agreements Between Users and Mega-Sites*, 24 *Santa Clara Computer & High Tech. L.J.* 829, 834 (2008).

<sup>51</sup> *Id.*

<sup>52</sup> Day, *supra* note 49.

“while the property and the world where it is found are ‘virtual,’ the dispute is real.”<sup>53</sup> The reason this case may be significant is because it hints that individual contributions to a virtual world may outweigh the strength of user-agreements. Unfortunately, the court did not decide on this concept because another portion of the user-agreement was found to be unconscionable, which led to a denial of Linden Labs’ motion to dismiss.<sup>54</sup>

Despite the case settling, it provides at least two potential avenues for an individual attempting to circumvent a user-agreement restricting their user-created content. First, the user can attempt to argue that like a home, car, etc., in the real world their creation is the equivalent of property. This could be a better argument if the user invested real world funding into the user-created content. The primary argument would have to be that the user-agreement is interfering with the user’s enjoyment of their property. Therefore, the user’s creation should get preferential treatment over the user-agreement. However, because user-created avatars are still a relatively new and unexplored area of the law, it is unclear whether this argument would be successful.

Second, the user could attempt an argument that the user-agreement is unconscionable. In *Bragg*, the reasoning behind the court’s holding that part of the user-agreement was unconscionable, was due to it being almost hidden within the agreement.<sup>55</sup> This may be another avenue users could seek if the user-agreement is unclear as the rights of users and their creations. It is unclear how successful it would be though.

While user-agreements can be restrictive to user-created content, they may become more open as the game industry continues to change. Creating games and learning how to write code has become more accessible, and has created a desire for more games to have open source codes. Open source codes allow for users to change textures, create new worlds, or create new avatars. In fact, more games have started to move to Second Life’s model of allowing users to maintain ownership over what they create. Ultimately, this could lead to more freedom in creating original avatars and being able protect them under trademark. However, at this point user-agreement are hard to survive if they include a clear restriction on intellectual property.

## 2. Liability for Infringement

In *Marvel Enterprises, Inc. v. NCSoft Corp.*, Marvel sued NCSoft for their MMO City of Heroes, claiming the software infringed on their trademarks.<sup>56</sup>

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<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> Day, *supra* at 145.

<sup>56</sup> Candidus Dougherty & Greg Lastowka, *Virtual Trademarks*, 24 Santa Clara Computer &

NCSOFT provided players “with development tools that allow[ed] them to design superhero costumes for their avatars.”<sup>57</sup> Marvel cited the use of their well-known trademarks of “Spiderman, The Hulk, Wolverine and Captain America”, by users in the game.<sup>58</sup> This claim was ultimately rejected by the court because the use of Marvel superhero names in the game was not an infringing use.<sup>59</sup> The court held that players had not utilized the marks in commerce, therefore were not engaging in trademark infringement.<sup>60</sup> The importance from this case derives from the fact that the court was not willing to find infringement because neither NCSOFT nor the users of its software were using the mark in commerce.

Even though NCSOFT was receiving income from the sales of the game, the court held Marvel’s trademarks were being utilized in a non-commercial manner. However, it has been shown that avatars have been used in a commercial manner within their worlds. What makes the virtual world of City of Heroes different from Second Life? Second Life is a commercial forum which contains its own economy, in which there is a constant exchange of currency which is ultimately linked to the real world.<sup>61</sup> City of Heroes was overall more restrictive than Second Life, and there was no link between the virtual world and economic reward in the real world.<sup>62</sup> Ultimately, liability for infringement in these virtual spaces seems to be largely linked to whether the world is a commercial forum.

In *Oneok, Inc. v. Twitter, Inc.*, Oneok sued Twitter for trademark infringement, alleging that Twitter allowed an anonymous user to create an account with their trademarked name.<sup>63</sup> In addition to the use of Oneok’s name, the user also uploaded the company’s graphic. The account would “Tweet” information about the company, as if it was an official account.<sup>64</sup> Oneok already operated a twitter account, and asked Twitter to assign the infringing account to them, which Twitter failed to do.<sup>65</sup> Twitter maintained a policy for trademark owners to reclaim their username by reporting a trademark violation to twitter. However, Twitter did not detail how it treated reports of infringement or how it determined that a trademark violation

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High Tech. L.J. 749, 762 (2008).

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 763.

<sup>60</sup> *Id.*

<sup>61</sup> Dougherty, *supra* note 56.

<sup>62</sup> *Id.* at 781.

<sup>63</sup> Allen, *supra* at 35.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*



occurred.<sup>66</sup>

Ultimately, the case was settled out of court, and the infringing account was transferred to Oneok.<sup>67</sup> However, the case helps to demonstrate that when an unknown individual is responsible for infringing on a trademark, then a viable option may be to go after the source which allowed the infringement to occur. With an expanding market online, comprised of many different trademarks, this may be the manner in which protection of intellectual property is sought.

### III. USER-CREATED CONTENT AND TRADE DRESS

Trade dress is a form of a trademark which encompasses the overall image and appearance of a product.<sup>68</sup> Initially it may seem like trade dress may be a valid means of classifying a user-created avatar. However, under a closer scope, proper placement of a user-created avatar into Product Packaging, Product Design, or Tertium Quid all present issues which an avatars ability to gain protection under trade dress questionable.

#### A. Trade Dress Faults

Product Packaging becomes an unlikely category for two primary reasons. First, product packaging has typically been used to describe the box, container, general shape, or other like features of a product.<sup>69</sup> Jury instructions on Product Packaging cases, provided by the Ninth Circuit, refer to a good being “[packed] [wrapped] [boxed] [held in a container].”<sup>70</sup> This creates an issue for deciding how to properly designate an avatar within these specifications provided. It would likely confuse courts as to whether an avatar would qualify as package. If courts cannot classify ambiguous trade dress, then they designate it product design and require proof of secondary meaning.<sup>71</sup> This would be detrimental to any parties seeking to protect their avatar under Product Packaging.

Second, the packaging itself needs to be source identifying, and must have some unique feature to its design which indicates it comes from a single

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<sup>66</sup> *Id.*

<sup>67</sup> Allen, *supra* note 63.

<sup>68</sup> § 37:2. Definition of a trademark, 6 Ia. Prac., Business Organizations § 37:2 Couldn't Find Reference Anywhere

<sup>69</sup> Lars Smith, *Trade Distinctiveness: Solving Scalia's Tertium Quid Trade Dress Conundrum*, 2005 Mich. St. L. Rev. 243, 254 (2005).

<sup>70</sup> 15.3 Definition-Trade Dress, UNITED STATES COURTS FOR THE NINTH CIRCUIT, <http://www3.ce9.uscourts.gov/jury-instructions/node/229> (last visited May 8, 2017).

<sup>71</sup> Mark D. Janis, *Trademark and unfair competition law in a nutshell* 43-44 (2013).

source.<sup>72</sup> Even though an individual could theoretically create a custom avatar from the assets available within a game, there is a reasonable question of whether that would identify a single source. For example, an avatar from Second Life is identifiable to the platform of Second Life, for aesthetic reasons, but it may not be readily identifiable to creator. The Aimee Weber avatar had identifiable features and its visual appearance was used to identify computer services provided.

These services consisted of building in-game assets for individuals, in addition to marketing, producing in-game movies, and managerial duties over construction of in-game assets. This presents two issues for avatars similar to the Aimee Weber avatar. First, if the identifiable source is the avatar, then the package remains unidentified. Alternatively, if the avatar is the package, then the identifiable source is left unclear. For this reason Product Packaging would not be a viable option for protection.

Product design protects the “shape, look, or design which is itself so unique that it serves to identify the source of the product.”<sup>73</sup> The thought behind this category of trade dress is the product design “functions to identify source.”<sup>74</sup> Product design is never considered inherently distinctive, unlike product packaging, so secondary meaning must be shown.<sup>75</sup> This distinction between product design and product packaging was made by the Supreme Court in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* The Court offered three policy reasons for its holding: first, consumers do not rely on product design to identify a single source; second, uncertainty as to inherent distinctiveness for product design would be harmful to competition; third, product design receive protections through other areas of intellectual property.<sup>76</sup>

If the Aimee Weber avatar sought protection under product design, then it may have succeeded. For example, the Aimee Weber avatar held a unique design, and individual users of Second Life came to identify that unique design with Aimee Weber, the provider of various Second Life services. Theoretically, an avatar may be better categorized under product design than product packaging. However, after further examination the categorization under product design presents akin to product packaging.

In order to ensure protection, the mark’s owner must show that the primary purpose of the design is to identify the product’s manufacturer.<sup>77</sup> For

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<sup>72</sup> Smith, *supra* note 47.

<sup>73</sup> Smith, *supra* at 256.

<sup>74</sup> *Id.*

<sup>75</sup> Janis, *supra* note 49.

<sup>76</sup> *Id.* at 42.

<sup>77</sup> Paul A. Briganti, *Renovating Taco Cabana: The Lanham Act's Protection of Product Design After*

an avatar this may present the issue depending on whether the design needs to identify the avatar itself or if it needs to identify the user-creator. Alyssa LaRoche was the creator of Aimee Weber, and as mentioned above, the avatar provided several services to users of Second Life. There was little identification of Aimee Weber to LaRoche. It is likely that other individuals attempting gain protection of their avatar would face these same issues. MMO's, video games in general, are an anonymous medium. It can prove difficult to make an association from online medium like Second Life to a real-world source.

Ultimately, the services provided by the Aimee Weber avatar had to be enacted through LaRoche, but the desire of the Second Life community was for these services come Aimee Weber. Aimee Weber essentially became a recognizable brand for the services provided within Second Life. The issue with the application of both product packaging and product design to avatars, derives from their additional requirements. Product packaging requires the package to identify a source, while product design requires the overall design of a product to identify a source. In both categories, it would seem like the avatar would have to satisfy all the requirements. For product packaging, the avatar would have to be the package and would have to identify itself. For product design, essentially you would have claim the overall design of the avatar identifies the avatar. Both categories create confusion regarding their application towards avatars, and for that reason, neither seems like viable avenue for this kind of mark.

### B. *Tertium Quid*

Tertium quid is a category of trade dress which is similar to product packaging, but also thought to be distinct from it.<sup>78</sup> *Two Pesos, Inc. v. Taco Cabana, Inc.*, is thought to be where the category of tertium quid derived from.<sup>79</sup> *Two Pesos* involved a dispute over the design of the interior and exterior appearance of the Taco Cabana restaurant.<sup>80</sup> Further, Taco Cabana also alleged infringement on their “signage, décor, menu, equipment, servers' uniforms, overall motif, and other alleged source identifying features reflecting the total image of the restaurant.”<sup>81</sup> The Supreme Court held that Taco Cabana's trade dress was inherently distinctive, but did not outline a

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*Samara*, 38 Cal. W. L. Rev. 481, 487 (2002).

<sup>78</sup> Janis, *supra* at 44.

<sup>79</sup> *Id.*

<sup>80</sup> Resnick, *Trade Dress Law: The Conflicts Between Product Design and Product Packaging*, 24 Whittier L. Rev. 253, 264 (2002).

<sup>81</sup> *Id.*

test for determining inherent distinctiveness.<sup>82</sup> Further, the Court did not identify the restaurant as product packaging and product design, instead choosing instead the Court laid out a broad rule. In fact, it was not until *Wal-Mart Stores v. Samara Brothers* that the trade dress detailed *Two Pesos* was distinguished from product packaging and design.<sup>83</sup>

*Wal-Mart* was a case in which the plaintiff, Samara Brothers, claimed Wal-Mart infringed on its trade dress for girls' dress patterns.<sup>84</sup> The Court found that product designs were never distinctive and needed to show secondary meaning in order to receive protection.<sup>85</sup> The Court attempted to distinguish *Two Pesos* in its holding by stating that *Two Pesos* involved "tertium quid that is akin to product packaging."<sup>86</sup> However, no clarification was given into what the tertium quid category consisted of, nor was any underlying test for it provided. Instead, the Court held that if confusion exists regarding which category to apply, courts should err on the side of caution and apply product design.<sup>87</sup>

The uncertainty surrounding tertium quid could make it ideal for user-created avatars. It is clearly a category of trade dress, but courts have felt no need to clarify what this tertium quid category consists of. Courts have erred on the side of caution and designated uncertain trade dress to be product design. However, an expansion of user-created avatars into trade dress may be valuable opportunity to explore and expand the tertium quid category. In *Yankee Candle Co. v. Bridgewater Candle Co.*, the plaintiff claimed infringement on its trade dress, specifically focusing on the category of tertium quid.<sup>88</sup> The court focused on the "combination of elements comprising (Yankee Candles') candle sizes and shapes, quantities sold, labels, Vertical Design System, and catalog."<sup>89</sup> The First Circuit held that because Yankee Candle presented its claim in a manner which focused on isolated characteristics of its display in stores, its claim was closer to product design.<sup>90</sup>

Ultimately, the First Circuit chose to designate the trade dress as product design because they were unsure of how to categorize it. However, when examining Yankee Candle's claim the court did seem to distinguish *Two Pesos*. The overall image of Taco Cabana was taken, as opposed to the

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<sup>82</sup> *Id.* at 267.

<sup>83</sup> *Id.*

<sup>84</sup> Janis, *supra* note 56.

<sup>85</sup> Resnick, *supra* at 269.

<sup>86</sup> Janis, *supra* note 56.

<sup>87</sup> *Id.*

<sup>88</sup> *Yankee Candle Co., Inc. v. Bridgewater Candle Co., Inc.*, 259 F.3d 25, 26 (1st Cir. 2001).

<sup>89</sup> *Id.* at 40.

<sup>90</sup> *Id.*

individual characteristics as Yankee Candle claimed. The First Circuit chose to designate Yankee Candle's trade dress as product design because they were not sure how to categorize it, but they did note that isolated characteristics seemed closer to design.<sup>91</sup> In *Two Pesos*, Taco Cabana listed individual characteristics as well, including "signage, décor, menu, equipment, servers' uniforms, overall motif, and other alleged source identifying features reflecting the total image of the restaurant."<sup>92</sup>

Taco Cabana alleged that Two Pesos infringed on both the interior and exterior of their restaurant, but it listed those various characteristics as part of its overall image. This may help to distinguish *tertium quid* from product packaging. Both are inherently distinctive, but that seems to be all they have in common because the Supreme Court did not distinguish them from each other. However, overall image seems to have some relation to *tertium quid*, which may be significant. Product packaging requires the package, box, or wrapping identify a source, but both the Supreme Court and the First Circuit allude to *tertium quid* involving overall design. Further, the Supreme Court in its *Two Pesos* decision seems to have accepted the Abercrombie Test for inherent distinctiveness from *Abercrombie & Fitch Co. v. Hunting World, Inc.*, for trade dress.<sup>93</sup> The Abercrombie test states that if a mark is arbitrary, fanciful, or suggestive then it is inherently distinctive. If it is descriptive then secondary meaning must be found. The reasoning behind this decision can be linked to the Lanham Act not distinguishing marks based on their nature.<sup>94</sup>

The Abercrombie Test as applied to trade dress does draw criticism from both courts and commentators. Some believe that the test was meant to only apply to word marks.<sup>95</sup> Others believe the proper test to apply to trade dress is the Seabrook test which derives from *Seabrook Foods, Inc., v. Bar-Well Foods Ltd.*<sup>96</sup> Seabrook is the test advocated by the plaintiff in *Wal-Mart Stores v. Samara Brothers*.<sup>97</sup> The court in Seabrook held the following,

"In determining whether a design is arbitrary or distinctive this court has looked to whether it was a 'common' basic shape or design, whether it was unique or unusual in a particular field, whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or whether it was capable of

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<sup>91</sup> *Id.*

<sup>92</sup> Resnick, *supra* note 58.

<sup>93</sup> Smith, *supra* at 297.

<sup>94</sup> *Id.* at 298.

<sup>95</sup> Smith, *supra* note 72.

<sup>96</sup> *Id.* at 299.

<sup>97</sup> *Id.*

creating a commercial impression distinct from the accompanying words.”<sup>98</sup>

Ultimately, the Supreme Court felt that the Seabrook test was problematic because it did not provide a bright-line rule for when trade dress was to be protected, in order to avoid “anticompetitive uses of trademarks.”<sup>99</sup> While other tests have been used and suggested, Abercrombie seems to the least controversial. The test has flaws, namely what suggestive trade dress consists of, but its limitations should be overlooked for its potential contribution to trade dress. The most convenient way to examine an avatar, under trade dress, is by looking at its overall design.

Overall design seems to be what *tertium quid* may be focused on. This must be taken into consideration when determining whether an avatar can receive protection. *Tertium quid* is unexplored by the courts, but avatars are a relatively unexplored area of trademark. The emerging world of user-created avatars may be a way for courts to start examining *tertium quid*. If courts were going to revive the significance of *tertium quid*, avatars would be the reason to do so. The overall design of an avatar is important because that is what users with within a specific medium will come identify. Further, avatars are not smoothly categorized in either product packaging or product design. It is likely that they can be inherently distinctive. However, the question becomes, how do you categorize an avatar as arbitrary, suggestive, descriptive, or generic? Maybe, *tertium quid* applies a different standard for determining inherent distinctiveness. These are just assumptions though, because that is all that’s possible for *tertium quid*.

In the end, the biggest fault of *tertium quid* is that so little is known about it, that it’s impossible to know what does or does not qualify for protection under it. If courts were to start utilizing *tertium quid* more, then it may be the proper category to designate avatars into. There seems to be some consistency that *tertium quid* involves overall design, and for an avatar this is important. For example, Aimee Weber’s overall design was identifying, because if someone saw the combination of those characteristics on an avatar they would know that was Aimee Weber. Further, this identification, which was possible because of the design, informed users of what services would be provided. In addition, users would know those services were from a trusted and reputable source. However, since the *Wal-Mart* decision, courts have stayed away from the *tertium quid* category. With no direction on how to properly apply this *tertium quid*, it has become unutilized by courts. There also seems to be no desire on the part of courts to determine any test for

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<sup>98</sup> *Id.*

<sup>99</sup> Smith, *supra* note 74.

tertium quid. For these reasons, it seems highly unlikely that an avatar could properly seek protection using tertium quid.

### *C. What Trade Dress Can Contribute to a New Trademark Standard*

Despite trade dress being problematic for avatars on various fronts, there are some contributions it could provide to new trademark standard for avatars. The originality of an avatar is based entirely on the creativity of the person creating it. The design of the avatar is a valuable because it allows fellow users, those how are active within the virtual economy, to readily identify and distinguish one avatar from another. This is especially helpful when an avatar is linked to services or goods within their respective virtual medium. Therefore, the overall design of an avatar needs to be included into a new standard.

A new standard will also need to provide a manner in which inherent distinctiveness can be readily determined. Since it is difficult to categorize avatars as arbitrary, suggestive, descriptive, or generic, then the best choice may be to combine both the Seabrook and Abercrombie tests. Courts may want to avoid having perform subjective interpretations on “quasi artistic or design decisions.”<sup>100</sup> However, it would merely require courts to determine whether an avatar is sufficiently distinct from the default avatar provided.

After the court makes a determination as the whether the avatar is sufficiently distinct from the default avatar within a virtual medium, then they can categorize an avatar within the Abercrombie test. If an avatar is not found to fall within one of the inherently distinctive marks, then courts may require the owner of the avatar to prove secondary meaning. Ultimately, these features of trade dress would make a new trademark standard more straightforward, while at the same time avoiding elements of trade dress which make it unfavorable to user-created avatars.

## IV. CRAFTING A NEW TRADEMARK STANDARD FOR USER-CREATED CONTENT

### *A. Proposed Standard*

The first requirement for a user-created avatar will be a stipulation that it be used in commerce. This means the user must be using the mark as a means of identifying some good or service provided. As mentioned above, virtual worlds are capable of maintaining a virtual economy. However, these virtual economies may or may not be linked to the real-world economy. However, if

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<sup>100</sup> Smith, *supra* note 74.

the virtual economy is a non-commercial forum, meaning there is no economic reward to its users, then this weighs against use in commerce. If there is no link between economic reward and the real world, then there is no way an avatar may achieve the use in commerce requirement. Alternatively, if there is a link between economic reward and the real world, then this weighs in favor of finding an avatar is used in commerce.

Next, distinctiveness will need to be explored, and this is where trade dress contributes significantly. The overall design of the avatar will need to be examined. As mentioned above, the Seabrook test will be the initial threshold an avatar will need to pass. In general terms, the Seabrook test asks courts to distinguish a common design from a unique design in a particular field.<sup>101</sup> This works well for avatars, because courts would only have to compare and contrast the default avatar with the user-created avatar within a particular virtual medium. I would require no subjective decisions regarding aesthetic features by the courts, which is something they have wished to avoid.<sup>102</sup> If it does not advance past the Seabrook test, then it is considered a generic mark. Generic marks receive not protection because they lack distinctiveness.

If the court determines that the avatar is sufficiently unique from the default avatar, or if they are unsure, then it is examined under the Abercrombie test. Due to potential confusion regarding the inherently distinctive categories of the Abercrombie test, a modified version would be suggested. This modified version of the Abercrombie test would designate avatars into only two categories, a suggestive mark or a descriptive mark. The reason behind this is because it is unclear if an avatar can be Arbitrary.

Theoretically, avatars will always have some relation to the product or service it identifies. This is because those products or services are almost always going to have some relation to the in-game world. On the other hand, Suggestive marks just require a leap in imagination between the mark and the product. Further, suggestive marks are inherently distinctive, so avatars who receive this designation do not need to prove secondary meaning.

If an avatar makes it through the Seabrook test, but the court is unsure whether it is sufficiently unique it should then be designated descriptive. If the avatar is designated as descriptive, then secondary meaning must be found. To prove secondary meaning the following factors are used:

- Amount and manner of advertising;
- Volume of sales;

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<sup>101</sup> Smith, *supra* note 99.

<sup>102</sup> *Id.*



- Length and manner of use; and
- Survey evidence.<sup>103</sup>

Some of these items may be difficult to examine for an avatar, but there may be ways it to adapt these factors to a virtual medium. Since the virtual words these avatars are coming from are very active, then perhaps conducting surveys within the virtual world is better suited. Further, social media may be a viable option to meet survey needs. There have been instances where courts found distinctiveness based on social media.<sup>104</sup>

How much the user contributed to the over design is an additional factor which should be considered if the court requires a party prove secondary meaning in their avatar. This additional factor should be referred to as overall contribution. It would require a determination of how unique the avatar is based on a sliding scale. This proposed sliding scale will examine the contributions by the developer in crafting the default avatar and then compare the to the contributions by the user in crafting the identity of the avatar.

Sometimes customization options are so limited that any possible creation made within the game was foreseeable by the developer. Alternatively, the developer can leave the user with a blank space, upon which they provide so many customization options that it is improbable that they could foresee the customized avatars prior to the user's creation. When trying to resolve these issues, this is where the sliding scale would be utilized with more customization options weighing the scale in the favor of the user and less customization weighing more in the favor of the developer.

This proposed factor would allow the individual who created the avatar to demonstrate that their use of the created avatar is distinct from the default avatar. Ultimately, if these steps are followed then this provides a defined method of gauging the protection a user-created avatar could receive in trademark.

### *B. Infringement in a Virtual Medium*

If an avatar receives protection the question then becomes, how do they protect against infringement. The online mediums upon which avatars are utilized creates issues regarding how to properly protect one's mark. In *Steele v Bulova Watch Co.*, the Supreme Court held that under United States law, an American watch company could prohibit a United States citizen from

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<sup>103</sup> See generally 22 Am. Jur. Proof of Facts 3d 691 (Originally published in 1993).

<sup>104</sup> See generally Caroline Mrohs, *How Many Likes Did It Get? Using Social Media Metrics to Establish Trademark Rights*, 25 Cath. U.J.L. & Tech. 154, 166 (2016).

infringing on its mark in Mexico.<sup>105</sup> The defendant in the case was a U.S. citizen who assembled fake Bulova watches in Mexico, and then would bring the watches across the U.S. border to sell them.<sup>106</sup> There appears to be no reason why this same holding should not apply to the online arena. If there is a U.S. citizen who is infringing on a mark online, then the mark owner should be able to protect their mark.

With avatars though a level of complexity is added because almost the nearly all users within a virtual world remain anonymous. Without knowing who is responsible for the infringement, it seems like any action to protect the mark is improbable. However, in *Eros, LLC v. Leatherwood*, a possible solution to the anonymity problem online may have been outlined. The Eros filed suit in 2007 against Volkov Catteneo, an avatar who allegedly boasted about selling fifty illegal copies of Eros' SexGen bed.<sup>107</sup> The court allowed Eros to subpoena "the records of Linden Lab, PayPal, America Online, and Charter Communications to determine the real-world identity of Catteneo."<sup>108</sup> The case never went to trial because once the defendant, Robert Leatherwood, was identified he negotiated a settlement with Eros.<sup>109</sup>

As part of the agreement, Leatherwood agreed to "disclose the names of his confederates in the counterfeiting scheme, and the court enjoined him from copying, distributing, displaying, selling, or aiding or conspiring with anyone else to copy, display, distribute, or sell any Eros merchandise without Eros's consent."<sup>110</sup> Further, in *Eros, LLC v. Linden Research, Inc.*, Eros sued Linden Research for vicarious infringement of its trademark, SexGen, which provides "adult themed merchandise [and] 'skins'--popular clothing and coverings worn by "residents" of Second Life."<sup>111</sup> Eros alleged that Linden failed to control and monitor Second Life, therefore creating an environment of infringement.<sup>112</sup> In addition, Eros alleged that Linden benefited from the infringement due to its 3.5 percent exchange rate which is charged for converting in-world currency into real world currency.<sup>113</sup> This case settled, however *Leatherwood* and *Linden Research* lay an important foundation for protecting a mark in medium where anonymity is ever present. *Leatherwood* seems to indicate anonymity is not a shield to deliberate infringement, while *Linden Research* reinforces the idea that online service providers need to be

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<sup>105</sup> *Steele v. Bulova Watch Co.*, 344 U.S. 280, 285 (1952).

<sup>106</sup> *Id.*

<sup>107</sup> Lowry, *supra* at 125.

<sup>108</sup> *Id.* at 124.

<sup>109</sup> *Id.*

<sup>110</sup> Lowry, *supra* at 126.

<sup>111</sup> Allen, *supra* at 52.

<sup>112</sup> *Id.*

<sup>113</sup> *Id.*

active in monitoring infringement on mediums in which they control.

#### CONCLUSION

Trademark registration of user-created avatars is an unexplored area of trademark law. However, as technology continues to advance and open source codes are becoming more present within games, it will need to be addressed. Second Life shows that a virtual world can maintain an economy in which users can enjoy economic reward for their work. That economic reward is only possible if there is a link between the real-world economy and the virtual economy within the game.

Avatars are more than capable of achieving registration, as seen with Aimee Weber. However, because there is not a clear standard, owners of user-created avatars have to guess if their mark qualifies for protection. Current trademark law is not set up to address how avatars gain protection. It leaves a lot of questions without providing a lot of answers. However, the proposed standard would seek to address these unanswered questions while at the same time addressing issues regarding ownership. The goal is to create a straightforward rule that would allow courts to more readily examine trademark protections for avatars. As more online communities move towards a Second Life model of allowing users to maintain ownership over what they create, avatar registration and protection will become more significant. As it becomes more significant courts are going to have to determine how to approach cases involving avatars. This standard seeks to layout a beginning foundation upon which courts, and mark owners, can look upon to guide them.