



## CONSUMER RIGHT VERSUS COPYRIGHT IN VIDEO GAME INDUSTRY

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**Abstract:**-This paper aims to investigate the consumer opinion about the balance between the Consumer Rights and Copyrights legislations in the video games industry. Prior to this study, existed many articles about the improving the Copyrights Protection methods of the digital products, neglecting the inconvenience that the consumers must support. The approach of this paper is represented by a survey which was posted on the video games forums. The survey results show that the consumers aren't satisfied with the Copyright methods and legislation, because the disadvantages brought to them in order to combat piracy. The main goal of this paper is to inform the Software companies, Consumer Rights institutions, Copyright institutions, consumers and other interested person in the necessity of improving the copyright methods in order to be efficient in protecting digital rights and also to satisfy the consumer.

**Keywords:**copyrights, consumer rights, software, digital content, digital protection  
**JEL classification** D11, D21, M31

### 1.INTRODUCTION

In the last decade, most software, video games, movie, music and books have been transferred from tangible distribution (CD, DVD, paper format) to intangible distribution (Herbert, 2013) where development and publishing companies have more strength in comparison to consumers. This "digital revolution" (Keegan, Green, 2013) had resulted because of development of fast and cheap internet connection for many devices like PC, Smartphones, tablets, TVs and other electronics. Resulting in the development of online services like the search engines, social networks, video streaming, e-commerce and many others. A part of e-commerce is represented by commerce with digital content like softwares, games, music, films and documents. Digital content may be purchased from official sites of the developers/publishers or from digital distribution platforms (DDP).

The most popular distribution platforms are STEAM, ORIGIN, XBOX Live Network (Xbox consoles), Playstation Network (Playstation consoles) ?i PLAYSTORE (Smartphones). Beside the distribution role, platforms have the role of Digital Rights Management (DRM), multiplayer platform and social platform. From the utilization of this platform, companies not only benefits from a better protection of copyrights (DRM), but also from lower distribution and advertising costs and a direct contact with their customers. Even the distribution costs are lower, because of cutting the cost with discs and inscription equipments, most of the prices from DDPs are the same or higher than retail prices. Another

controversy is represented by the fact that games bought from retailers (tangible format) must use digital platforms (Steam) in order to install and play (Holm, 2004). So the costumers are forced to install the digital distribution platforms, make an account and log in every time when he wants to play.

### **1.1 Copyright protections**

Digital copyrights are protected by European legislation through Copyright Directive (Directive 2001/29/EC) which implement the World Intellectual Property Organization Copyright Treaty (WIPO TREATY). In order to protect the intellectual rights, the United States implemented a similar law named Digital Millennium Copyright Act (DMCA). In Romania, Digital Copyrights are included in Law on Copyright and Neighbouring Rights no 8/1996 and her updates, but don't exist a differentiation between copyright protections of tangible goods and intangible goods. In 2012 European Union tried to adopt Anti-Counterfeiting Trade Agreement (ACTA), which could introduce instruments who should limit the counterfeiting of goods and services, including digital content. But ACTO was rejected by European Parliament because of some vague aspects on the protection of citizen rights ((Draft recommendation of the EU rapporteur).

Even with the Copyrights, companies had introduced their own systems which protect their digital rights. This protection systems are: End-User License Agreement (EULA), Digital Rights Management (DRM), Disc Copy Protection and Software Key(CD-key or Serial Number).

End-user License Agreement (EULA) is a contract between the licensee (user) and licensor (developer) of the software (product), where are described the terms of utilization of software by the user. The EULA is described by many authors (Halbert, 2003) as a Shrink wrap contract (for physical distribution) or Click wrap contract(for digital distribution) because the consumer will know about this agreement in time of the installation process. Because of "Buying first read after policy" EULA is considered by many non-governmental organizations for protection of the consumer rights as an illegal contract. Inefficiently of the EULA on preventing the piracy is known because the difficulty of finding and proofing of piracy acts. As an irony most pirated, the EULA agreement appears on the installation.

Digital Rights Management (DRM) systems protect products to be used, copied and redistributed to unauthorized users (Yung-Ming Li, 2009). These systems need permanent internet connexion, event registration to the official site or on the digital distribution platform (Fetscherin, 2006). DRM systems not only are used for digital products, but for electronics products like computers, consoles, printers and Smartphones to stop the costumers to use counterfeit digital products.

The Disc Copy Protection is used by software or media publishers to distribute the data in physical format (CD or DV). This protection (Ashe, 2000) uses methods like over-size, over-burns, check in, bad sectors, dummy files and region codes in order to protect against piracy. The inconvenience is that can reduce the life of the disc or can produce some errors on installation of the software

Product Key (Software Key or Disc Key) is a software based key which certificate the originality of the digital content. This key can be found inside of the boxes of the disc, for physical format, and in digital format, the key is automatically inserted by the digital platform.

### **1.2 Consumer Rights**

Consumer rights are mostly concerned about preventing minors to access violent video games by imposing age and content rating system known as Pan-European Game Information (PEGI) for

European Union member countries. In the USA system used is Entertaining Software Rating Board (ESRB). Romania hasn't implemented any law that regulates the selling video games that may contain harmful content to minors. PEGI rating labels the game in 5 categories in: PEGI 3, PEGI 7, PEGI 12, PEGI 16 and PEGI 18. Each number represents the minimum age that a minor could buy access a game from that category.

Digital copyright protections can have some inconveniences to the consumer like:

❖ Costumer is informed, most of a time, about the EULA contract only at the time of the installation process of products. Costumer didn't have another choice than accept it, if he wants to install the video game.

❖ DRM systems:

- Need continuous internet connection for installation and playing the game;
- Need additional programs to be installed in order to play the game;
- Consume additional device resources additional;
- May provoke some error in time of playing the game because of connectivity fluctuations;
- May supervise the user at the time he plays the game

### **Disc Copy Protection:**

- may reduce the life of the disc,
- may have regional lock
- may provoke errors in time of installation
- need to be introduced into user device if he wants to play the game
- may damage on the user device

❖ Product Key:

- may don't work because can be incomplete or wrong
- may be copied by malware programs (viruses, trojans or other spyware)
- may be lost
- may need some time in order to correctly insert it, because of the length

The quality of the video games is determined by the quality of technical and artistic components. Technical components (Rollings & Adams, 2006) are represented by the graphic and sound engine, artificial intelligence, technical performance, objective scripts and every component that made the game to work. Artistic components are represented by the story, graphic and sound design, game mechanics and rules of the game known as the gameplay.

The problem is that Consumer legislation doesn't protect consumers against low quality digital products as games, movies and music because of subjective proprieties. In comparison with movies and music, video games contain the technical features of the software. Technical problems of the video games are represented by errors, frame lagging, bad artificial intelligence and glitches (also known as bugs) which can dissatisfy consumers. Most of video game resolves the technical issues in post release development by collecting the suggestions of the costumers on the official game forum. Artistic components, mainly remain after the launch of the game, but producers can later launch some artistic chances in the form of payable or free expansions or downloadable contents (DLC).

## **2 METHODOLOGY**

In order to analyse the issues of Copyright protection versus Consumer Rights protection, an online survey was made about video game consumers. The survey used the survey platform from the <https://qualtrics.com>. To reach the targeted respondents, invitations to the survey were distributed in 'Other Threads' section of the video games companies, game communities and game media forums. The survey research took place between December 2013 - January 2014. In total the survey has 197 respondents and but only 117 surveys were fully filled. The survey is composed of 26 questions with force response validation and 10 optional response.

**Table 1: The Survey composition by the role of the questions and the type of the response**

Questions	Force response	Optional response
Questions about the sample identification the consumer behaviour	5	0
Questions about the methods of copyright protection	12	6
Questions about the factors that influence their satisfaction about video games	5	0
Questions about the copyright legislation and consumer rights legislation	6	6
Total	2	10

*Source: made by the author*

**The main objectives of the survey are:**

1. Identification of the consumer satisfaction with the copyright protection methods used video games companies
2. Identification of the consumers' belief of the efficiency of the copyright protection methods
3. Identification of the consumers' issues about the factors that lower the quality of the video games that they bought
4. Identification of the consumers' belief of the balance between Copyright Protection Legislation and Consumer Protection Legislation

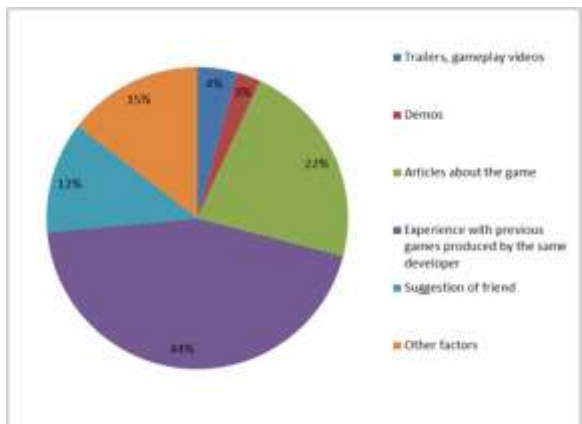
From the survey objective, the Survey hypothesis resulted are:

- Hypothesis 1: Video game consumers are satisfied with the Copyright Protection methods
- Hypothesis 2: Video game consumers are satisfied with the protection given by the Copyright and Consumer Protection Legislation.

**3 Results**

The most of the respondents have the between 18 and 30 years (68%), being followed by the respondents that have between 30 and 40 years (21%). Also, 91% of the respondents play video games for more than 10 years. When they were asked, where they buy most of their games, 87 respondents (83%) respond the digital distribution platforms are most used way to purchase video games, while only 6% choose to buy their games from Publisher Web Store. When the respondents were asked “What factor has the most influence on the choosing to purchase a certain video game?”, 44% of the responses were that the “Experience with previous games produced by the same developer” is the most influential factor, resulting that exists a loyalty relation between consumer and developer. Question 5 asked the respondents how many games they buy per year, result that none of the answers had a big majority: 26% of respondent chose that they buy more than 20 games per year, 25% buy less than 5 games per year, 25% buy between

5 and 10 games per, 13% buy between 11 and 15 games per year and 11% buy between 16 and 20 games per.

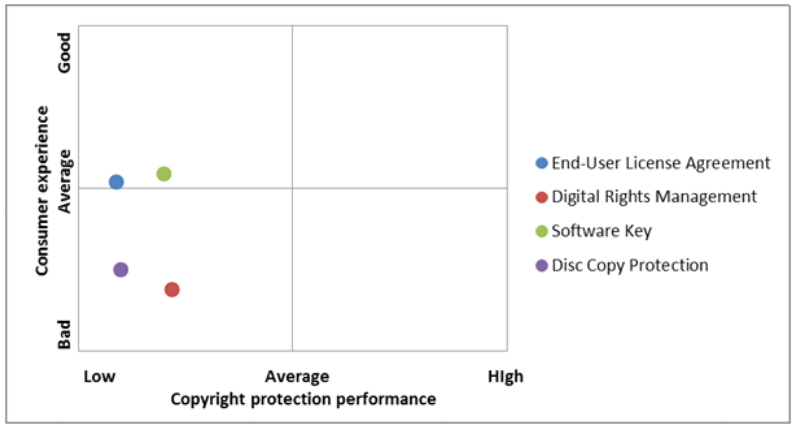


**Figure 1: The factors that influence the purchase decision of the video games.**

Source: made by the author

The next set of questions is about the opinion of the respondents about digital copyright protection. Contain both efficiency of protection and influence on customer satisfaction. The questions 6 and 7 are Likert type question with a scale from 1 to 3, 1 mean the lowest score and 3 the highest score. The question 6 asked “How are performances of the each type of digital protections against piracy?”. The response showed that consumers believe that all digital protection methods have low performances against piracy: EULA with 84% of the responses for low performance, followed by Disc Copy Protection with 80%, Software Key with 67% and Digital Management Right with 63%. The responses for the question “How was experience with digital copyright protections?” were more diverse, many respondents said that they had an indifferent experience with the EULA (68%) and Software Key(56%), but 77% of the respondents had unpleasant with DMR and 67% with the Disc Copy Protection.

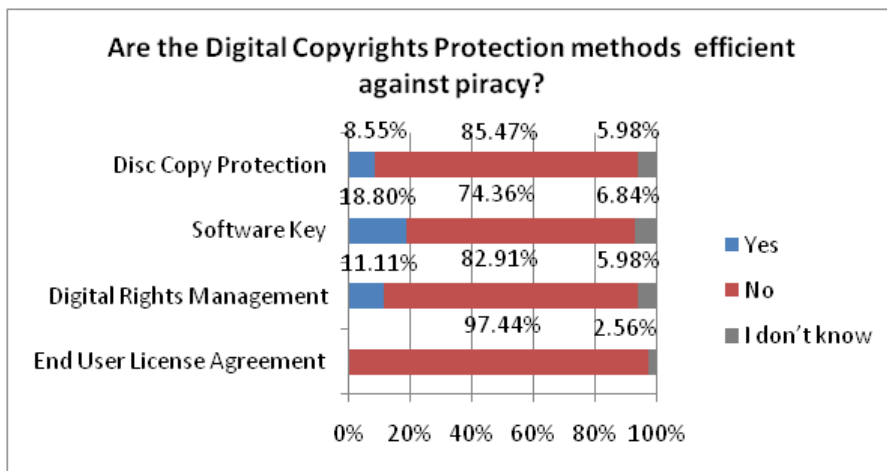
The means of the answers to questions 6 and 7 were used as the two dimensions of Figure 2, the answers for question 6 representing the Copyright Protection performance and the answers for question 7 representing the Consumer experience with Copyright Protection. From the Chart, resulted the consumer opinion about the performance of all Copyright protection methods is low, while the Consumer Experience with Digital Right Management and the Disc Copy Protection was bad, while the Experience with EULA and Software Key was slightly above average.



**Figure 2: Consumer experience and the Copyright protection performance**

Source: made by the author

The questions 8, 9, 10, 11 and 12 try to describe the main motives why the consumers dislike the Copyright Protection. Question 8 asked “How many times you read the End-User License Agreement (EULA) or other type of License contract”, none of the respondents chose that they read every time they buy a game, 43% of respondent that they never tried to read it, while 28% start to read it once, but never finish it. The next question would be triggered for every respondent that did not choose first answer from the question 9. Question 9 asked why the consumer doesn’t read the EULA every time, main issues (51% of respondents) been that it is no point reading it, because the consumer is forced to accept it. This answer is followed by issues like the length of the document (25%) and the conception that all EULA contracts are similar. The question 10 was about the most in choosing the main inconvenient issue of the Digital Rights Management, 56% of the respondent chose that the “Permanent internet connection” is the main inconvenient of the DMR, being followed by the “Supervision of the use of the game” and “Possibility of the production of errors in the time of game”, both with 17%. The Disc Copy Protection major inconvenient for the consumer is the necessity of the Disc introduction in order to run the game (40%), followed by containing of programs that scans for pirated content without user consent with 20% and the regional lock with 17% of answers. The Software Key had more diverse responses, the main responses been that is key must be introduced on every installation (35%), sometime key don’t work (21%) and can be stolen by the malware software like viruses. The last question of this set, asked if the Digital Protection methods are efficient in combating the piracy. The question type was yes or no, but the respondent could chose also the “I don’t know”. According to the response(Figure 2), most of the respondents believe that none of the Copyright protection methods are efficient in the fight against piracy, the EULA has the most NO responses.

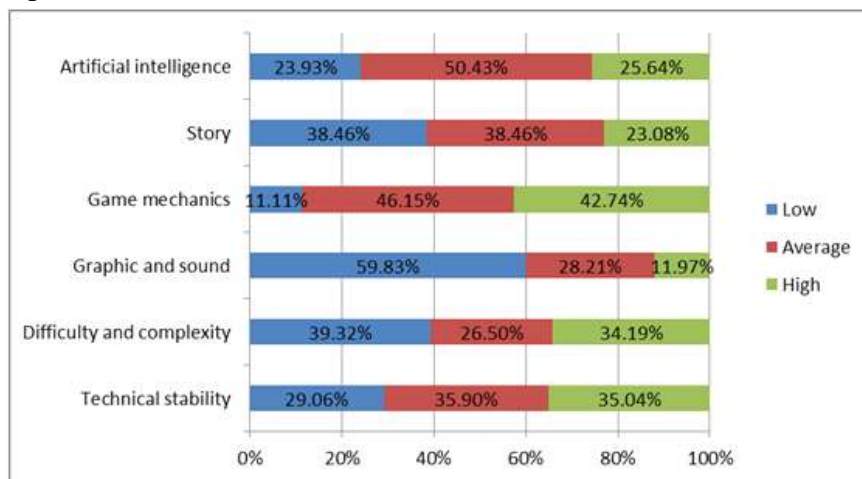


**Figure 3: Efficiency of the Digital Copyright Protection methods**

Source: made by the author

The next set of questions is about the opinion of the respondents about the quality of video games and the what should be the developer company and consumer behaviour in case of low quality product release. Similar to the questions 5 and 6, the questions 13 and 14 used a Likert scale from 1 to 3. The thirteen question (figure 3) asked how was the experience with quality

factors of the video games that bought last year. Results showed that the 49% respondents had an average experience with the quality of the technical stability and while 27% said that they had a good experience. The difficulty and complexity experience was average for the 48% of respondents and 45% of players had a good experience. The experience with the games' graphic and sound was good for 65% of the respondents, while 35% of them had an average experience. The game mechanics pleased almost 70% of the respondents. Story gave to 45% of players an average experience, while 43% said that had a good experience. The experience with the Artificial Intelligence was considered average for 54% of players and 26% players considered that had a bad experience.

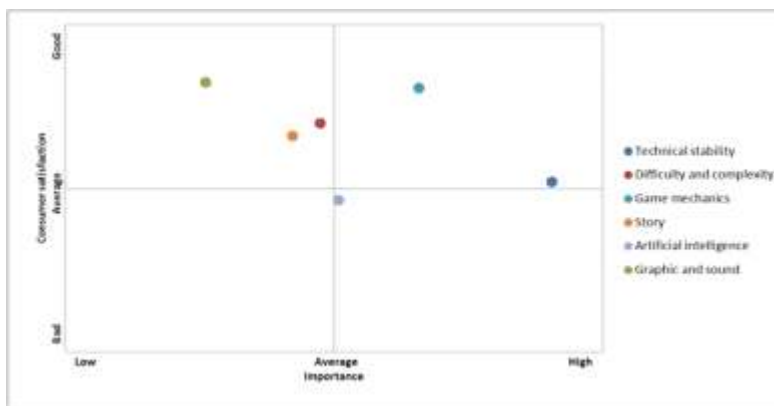


**Figure 4: How is important is the quality of the video game components?**

Source: made by the author

Question 14 asked the respondents "How is the important is the quality of the video game components of the quality of the product?". The 36% of respondents said that technical stability had an average importance, 35% believe that the importance is high and 29% believe that the importance is low. The Difficulty and complexity had a low importance on the quality of the game for 39% of the respondents. In the opinion of the majority of the players the graphic and sound component had a low importance on the game quality. The game mechanics were considered to have an average importance by 46% and high importance by 43% of respondents. Story received an equal number of low importance answer and average importance from approximately 38% of respondents. Artificial Intelligence was considered to have an average importance to the quality of the by 50% of players.

With the means of the answers from the question 13 and 14 was made a two dimensional chart (Figure 5) in order to see the relation between Importance of the game components and the Consumer satisfaction with them. From Figure 5 resulted that players believe that the components with above average importance are the Technical Stability, Game Mechanics and Artificial Intelligence. The Technical stability of the game had the highest Importance, mainly because if the game doesn't function properly it cannot be played, but their satisfaction with this component was slightly above average. The Game Mechanics represents the second important component because is the main factor that made a consumer to buy and to play a certain video game. The The Artificial Intelligence had a slightly above importance, but is the only component that had consumer satisfaction bellow average. Difficulty and Complexity, Story and Graphic and Sound were considered components with below average importance, but the satisfaction given by them to the players was the above average.

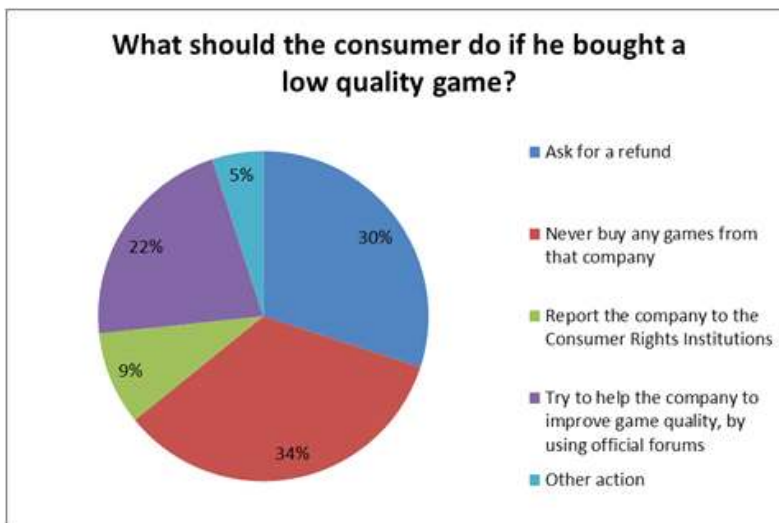


**Figure 5: Consumer satisfaction and the quality of importance of the game components**

Source: made by the author

The fifteen question asked respondents “How many games, that you bought last year, disappointed you?”. The result shown that 64% of the respondents were disappointed by the few games, half of the games disappointed 14% of respondents, 13% of respondent were not disappointed and 9% chose that were disappointed by most of the games that they bought last year.

Questions 16 and 17 tried to find the consumer opinion about the desired consumer behaviour in case of buying of low quality game and respectively the desired developer/publisher behaviour in case of release of a low quality game. Question 16 (Figure 6) results showed that most of consumers believe that the best action (34%) is to never buy another game from that company, followed by 30% of consumer who chose that they will ask for a refund, while 22% will try to help the developer to improve the quality, by using official forums and only 9% will report the company to the Consumer Rights Institution.



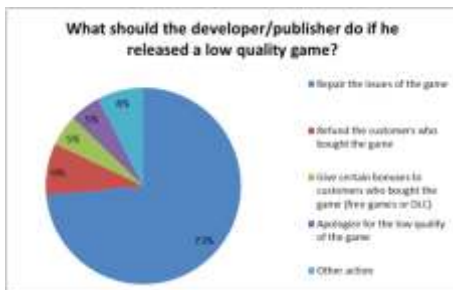
**Figure 6. What should the consumer do if he bought a low quality game?**

Source: made by the author

Question 17 was “What should the developer/publisher do if he released a low quality



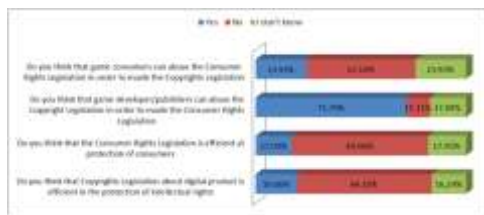
game?”. The 73% of answers considered that the developer/publisher should Repair the issues of the game, refund of the consumers with 9% of answers, give certain bonuses to the costumers that bought the game with 5%, apologize for the low quality of the game with 5% and other action with 8%.



**Figure 7. What should the developer/publisher do if released a low quality game?**

Source: made by the author

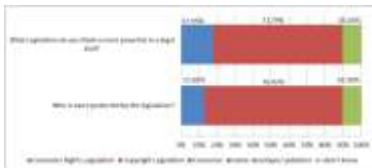
Last set of questions is about respondents’ knowledge about the balance of power between the Consumers and Developer/Publisher given by the Copyright and Consumer Rights Legislation. First four questions were Yes or No type with the “I don’t know” option available and the last two questions were the choosing type questions. All questions of this set had optional questions attached that lets the respondent to explain his decision. The first question asked if consumers can use Consumer Rights Legislation in order to evade the Copyright Legislation, the most response was for No, but 23,93% of respondents chose that they don’t know the answer. When consumers were asked if the game developer/publishers can use Copyright Legislation in order to evade the Consumer Rights Legislation, the majority of answer were for Yes, while the number of answers for No (11.11%) was even lower than I don’t Know (17.09%). Respondents believe that both Consumer Rights Legislation and Copyrights Legislation are inefficient.



**Figure 8. Balance of power between Copyright and Consumer Right laws**

Source: made by the author

Last two questions asked “What Legislation is more powerful in a legal trial?” and “Who is more protected by the Legislation?”. For the first question the 71.79 of the responses said the Copyright Legislation is more powerful, while only 17.95% believe that the Consumer Rights Legislation is more powerful. The last question responses were in favour of the Game developer/publisher with 76.92%.



## Figure 8. Balance of power between Developer/Publisher and Consumer

Source: made by the author

### CONCLUSION

The study, showed that the consumer opinion about the issue of the Consumer Rights versus Copyright, that the Copyrights Protection methods and legislation do not protect efficiently the producers of digital products and services against piracy, and only provoke dissatisfaction to the costumers. Resulting that the first hypothesis is rejected. The dissatisfaction provoked, mainly because the developers/publishers implement methods that in order to protect better the product, create discomfort to the users. By forcing the consumers to support the companies' measures against piracy, will result only in alienating the loyal customers. Also the inefficiency of the Copyright Protection methods in combating piracy creates a sentiment of dissatisfaction to the costumers that must support all inconveniences of the Copyright Protection. Even companies try to implement more efficient Digital Copyrights systems that have both a good protection against piracy and don't provoke a bad experience to consumers.

About the Consumer protection when companies release low quality games or use false advertising the consumers aren't protected mainly because video games are considered to be in the same category with other artistic products like movies and games, even the low quality is provoked by technical components. The choices that costumers believe that they can make are not buying the future products from that company, to hope that the company will improve the quality in post development period, ask for a refund from the game distributor

The second hypothesis is also rejected, because the most respondents believe that the Copyrights and Consumer Rights Legislation can be not efficient at protection of the rights of each side. The consumers believe, also believe that Copyright Legislation of digital products is more powerful Consumer Rights Legislation in case of digital products and service.

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