

The rights to Ms. Pac-Man are caught up in a messy legal battle

Enlarge / This AtGames prototype cabinet is at the heart of a legal battle over the rights to *Ms. Pac-Man*.

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The complicated rights situation behind *Ms. Pac-Man* is at the heart of a legal battle between Bandai Namco—which owns the *Ms. Pac-Man* trademark and copyright—and retro hardware maker AtGames—which has now purchased the separately held royalty rights to the game.

The strange situation dates back to 1982, when a group of MIT students created an unauthorized “enhancement kit” named “Crazy Otto” for Bandai Namco’s arcade hit *Pac-Man*. The MIT group, which organized under the name General Computer Corporation, then reached out to US *Pac-Man* distributor Bally Midway to develop that modification into the officially licensed *Ms. Pac-Man*.

As part of the Crazy Otto licensing deal, GCC received the right to a perpetual royalty payment whenever a *Ms. Pac-Man* game was sold. Bally Midway retained the copyright and trademark rights to the game and its characters, though, which Bandai Namco eventually reacquired in the intervening years.

According to a federal lawsuit filed by Bandai Namco this

week, the company had been negotiating with the successors to that GCC deal in order to “resolve the relationship” the two companies had with the game (presumably to acquire the royalty rights under the Bandai Namco umbrella). That agreement was on the verge of being signed, Bandai Namco says, when AtGames swooped in and acquired GCC’s royalty rights for itself this fall.

“As part of our ongoing initiative to be caretakers of important cultural touchstones, we are privileged to gain these valuable rights pertaining to the iconic *Ms. Pac-Man* arcade game,” AtGames CEO Dr. Ping-Kang Hsiung said in a statement.

AtGames alleged bad acts

If you recognize the name AtGames, it’s probably not for good reasons. The company has a reputation in the game industry for bargain-basement retro hardware releases like the Sega Genesis Flashback console (which preceded the much-improved Sega Genesis Mini that AtGames had nothing to do with).

AtGames was also embroiled in controversy last year when it sent a misleading version of its Bandai Namco Flashback plug-and-play console to reviewers. That early review version contained authentic emulated arcade ROMs of a selection of Namco classics, while the final release contained only downgraded NES versions (“The early review version could not make it to production, even though it was anticipated it would,” AtGames said in a tweet at the time). In its lawsuit, Bandai Namco says it never approved the release of those modified NES versions, and it cites this as an example of AtGames’ “improper and wrongful conduct.”

Bandai Namco also says AtGames made at least one prototype *Ms. Pac-Man* miniature arcade cabinet, using Bandai Namco’s trademarks without the company’s authorization, and showed it to at least one of the GCC successors as part of its

negotiations. AtGames has also allegedly been contacting retailers like GameStop and Wal-Mart about selling that *Ms. Pac-Man* cabinet without the involvement of Bandai Namco. Bandai Namco also believe AtGames made false statements about its access to the IP.

“Not only are AtGames’ false statements likely to damage Bandai Namco Entertainment America’s relationship with its current and prospective licensees, retailers and/or distributors, but they are also likely to cause severe harm to BNEA’s reputation and goodwill,” the lawsuit reads.

In a letter obtained by Polygon, AtGames’ lawyer called Bandai Namco’s lawsuit “another transparent effort to punish AtGames for entering into its August 2019 agreement with the GCC individuals, to sully AtGames’ reputation, to disrupt AtGames’ business relationships and to artificially manufacture leverage in the ongoing negotiations between the parties. To wit, [Bandai Namco Entertainment America] is so irritated by the fact that AtGames has entered into a contract with the GCC Individuals—an arrangement BNEA hoped to exploit for its own benefit through deceit and bad faith—that it has ordered its lawyers to attack AtGames by any means possible.”

As the complicated case winds its way through the courts, it seems unlikely anyone will be able to navigate the licensing issues at play and release any new official *Ms. Pac-Man* products in the near future. Luckily for retro arcade fans, there are already a number of licensed *Ms. Pac-Man* games still on store shelves.

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