



# Virtual Objects Trading in Indonesia: Legal Issues on Ownership and Copyright

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**Abstract.** The aim of this study is to examine whether buying and selling virtual objects using Real Money Trading (RMT) in Indonesia is legal. The study uses a normative research approach with a statue approach. The results show that one type of RMT method conducted between users has legal issues concerning the civil ownership of virtual objects and the copyright of the objects being bought and sold. The study implies that there is a need to regulate RMT in Indonesia to prevent legal disputes and ensure that virtual objects' ownership and copyright are protected.

**Keywords:** Real Money Trading · Online Game · Society · Indonesia · Transactions

## 1 Introduction

Today's world has progressed quite rapidly, one of which is the field of technology. Today technology is increasingly developing and advancing far ahead. One of the concrete forms of technological progress is the presence of the internet in people's daily lives today [1]. The internet is an option for people to interact with each other at the same time even though they are not in the same place. The development of technology, especially the internet in Indonesia, has reached quite fantastic numbers. Internet access in Indonesia has increased significantly in the past 5 years, with 50.2 million new users [2].

One of the easiest internet utilizations to reach today is the use of the internet to play a game. The presence of the internet allows a person to be able to play games alone or together with other game players at the same time without having to be in the same place, this concept is known as the concept of Online Games [3]. Since the last few years, Online Games have created a new business world that has its own market in society. The development of online games is more easily recognized by the internet as one of the supporting elements of the online game.

The business that was created because of this online game created a market that has characteristics that could not be found before the internet. Starting from the online game voucher market, buying and selling online game items, to buying and selling online game accounts themselves. Behind the successful development of this Online Game business, it turns out that there are several new phenomena that arise when this Online Game becomes a new lifestyle in society. The Real Money Trading phenomenon is one of the transactions carried out by Online Game users to purchase a token or item in the Online Game using real money such as rupiah money in Indonesia [4].

Real Money Trading or hereinafter referred to as RMT can be carried out by several related parties. The parties involved in this RMT occurrence are Online Game Developers. RMT with this first party, this Online Game user buys tokens or items in the Online Game by paying with real money through several options provided by the Online Game Developer itself [5]. Then RMT with his party, namely fellow Online Game Users, the concept used is the same but the seller of items or tokens is a fellow Online Game user.

This RMT phenomenon is often found in games that have MOBA (Multiplayer Online Battle Arena) type games. This MOBA type game is a strategy video game where a player controls one character in a team in the game that has the same goal, namely to fight and fight against the opposing team [6]. Today there are several kinds of MOBA games that can be accessed on computers and even on smartphones. The increasing number of smart phone users, along with the increasing download of MOBA game applications on smart phones. One of the most popular MOBA games is Mobile Legends Bang - Bang or hereinafter referred to as Mobile Legends.

MOBA Mobile Legends game in the operating system built by the famous American technology company "Apple", has the number of Iphone smartphone users of 724,000 users with an application rating of 4.4 and is ranked first in the category of strategy games most often played by Iphone users. While on the Android operating system built by a well-known technology company from the United States, namely "Google", Mobile Legends has the number of Android smartphone users who have downloaded and played this game as many as 500 million users with an application rating of 4.0 and is ranked second in the category of best-selling games in action, strategy, and MOBA most often played by Android users.

The existence of the Mobile Legends phenomenon which has become a new style of playing MOBA games on smartphones, makes a lot of RMT phenomena a common thing in the Mobile Legends world. There are many RMTs that occur between users who use external platforms from what has been presented by the game developer itself. During the development of the Mobile Legends game to become the most popular MOBA, these RMT practices have also increased. However, if the existing RMT phenomenon is correlated with the concept of law, where the transactions carried out during RMT have clarity regarding the ownership of the goods being traded. Therefore, it is necessary to have research related to the civil ownership of virtual goods in online games, especially in Mobile Legends. Therefore, researchers will conduct research related to "Buying and Selling Virtual Objects in Online Games: Mobile Legends".

## 2 Method

In this study, the author conducted normative legal research using the Statue Approach to review all laws and policies related to legal issues under study [7]. The author analyzed primary legal materials, including the 1945 Constitution of the Republic of Indonesia, Civil Code, Law Number 8 Year 1999 on Consumer Protection, Law Number 11 of 2008 Concerning Information and Electronic Transactions, Law Number 28 of 2014 Concerning Copyright, and Law Number 20 of 2016 concerning Trademarks and Geographical Indications. Additionally, the author used tertiary legal materials such as Indonesian dictionaries, legal dictionaries, and encyclopedias to provide support and clarity to primary and secondary legal materials that were not directly related to the subject matter at hand [8].

To measure conformity with policy products based on the research documentation study's results, the author applied the Statue Approach in this research. The study's approach helped the author to ensure that the legal issues studied aligned with the relevant laws and regulations in Indonesia. By conducting this research, the author aimed to provide a comprehensive understanding of legal issues related to virtual object trading in Indonesia.

## 3 Result and Discussion

### 3.1 Buying and Selling Virtual Objects in the Mobile Legend Online Game

The phenomenon that is present today regarding the RMT phenomenon raises several new problems, especially from the point of view of existing law in Indonesia. Indonesia as a legal state is of course the law as a guide in the life of the nation and state. Every Indonesian citizen who carries out life activities while still in the jurisdiction of the State of Indonesia must obey all laws and regulations in Indonesia. There is no escaping the activities of the community in utilizing the internet everyday. There are several uses of the internet that can be utilized maximally by the Indonesian people today, one of which is the use of the internet to play a game. Nowadays games can be played together at the same time with different times by utilizing the internet, one of them. With the stretching of the gaming world in Indonesia, it is able to create a business climate, a social climate, a new civilization climate because of the existence of online games that are able to unite people far away into being in front of the eyes.

One of the online games that is currently being favored by the Indonesian people is the mobile legend online game. This game made by Shanghai Moonton Technology is able to seize the attention of some Indonesian young people who do not know the mobile legend game, which used to be a new lifestyle that is being loved by Indonesian youth. Many occur in cities and villages where almost all young people in that place become users of this mobile legend online game. The literal nature of a game is to generate a sense of competition between other players to get social titles among other players. To support this, mobile legend online game users are willing to spend their personal money to get or to buy several facilities to support their battles in the mobile legends online game.

Items and Vouchers have become commonplace in the ears of game users, with prices varying from thousands to millions, with their respective advantages according to the needs and abilities provided by the items and vouchers purchased earlier. Referring to this, it creates a business climate for buying and selling items and vouchers that offer extraordinary profits. The buying and selling activities can occur between game users and developers and there are buying and selling activities between game users and other game users. This phenomenon is known as Real Money Trading (RMT) where there is a buying and selling transaction that exchanges real money into virtual objects in a game [9].

This phenomenon can be examined from several aspects that exist today, one of which is the legal aspect. Indonesia as a legal state also regulates the aspects of buying and selling carried out by each of its citizens. The Civil Code is one of the concrete proofs that the State takes the role of providing legality in every buying and selling activity carried out by Indonesian citizens. In the Civil Code in book III which regulates the Binding, explaining in article 1427 of the Civil Code, the meaning of buying and selling is an agreement by which one party binds himself to deliver an item and the other party to pay the promised price [10].

From the previous statement, it has been explained that buying and selling arises when there is a party who deliberately binds to another party to transfer ownership of an item with the other party spending money to buy the agreed item. When correlated with the RMT phenomenon, based on the meaning of sale and purchase as stated in Article 1427 of the Civil Code, there is nothing wrong. However, in looking at the RMT phenomenon, it cannot only be seen from the outside, but there needs to be a comprehensive analysis to examine whether RMT between users and users and developers and users are in accordance with the laws and regulations in Indonesia.

Not stopping there, the Civil Code also regulates the validity of an agreement in Article 1320 of the Civil Code, which reads; 1. Agreement between those who bind themselves; 2. Capacity to make an agreement; 3. A certain thing; 4. A halal cause. [11] The conditions that have been regulated become an important component to see whether an engagement can be said to be valid or not, which in the legal world is known as the test of the validity of an engagement. When correlated with the phenomenon of RMT users with other users, the first condition for the validity of an agreement has been fulfilled, the analysis is that there has been an agreement between fellow game users to bind themselves to a sale and purchase transaction. [12].

The next condition of the validity of this agreement when correlated with the phenomenon of RMT users with other users is still found a lot of game users are still not capable in the eyes of the law. The concept of capability in law based on article 330 of the Civil Code is that a person is an adult if he has reached the age of 21 years, and has married before reaching that age. The ability to act and the authority to act according to the law are also regulated in several provisions including;

- a) A child who is not yet an adult (has not reached the age of 21 years) can perform all legal acts if he/she is 20 years old and has obtained a declaration of adulthood (*venia aetatis*) given by the president, after hearing the advice of the Supreme Court which has been regulated in Articles 419 and 420 of the Civil Code;

- b) A child who is 18 years old can perform certain legal acts after obtaining a declaration of adulthood from the court which is regulated in Article 426 of the Civil Code;

When correlated with the phenomenon of RMT users with other users, there are still many users who are underage, and then adjusted to the conditions for the validity of an agreement, the second condition of the validity of this agreement has not been fulfilled.

The next condition for the validity of an agreement on a certain matter when correlated with the phenomenon of RMT users with other users has been fulfilled because these game users have talked about something they understand and know, namely related to buying and selling items and mobile legend online game vouchers. The condition for the validity of an engagement is a lawful cause. When correlated with the phenomenon of RMT between users and other users, there needs to be a comprehensive analysis to find out whether it has been fulfilled or not. The thing that is used as an object of engagement is a mobile legend online game item. The developer of a game certainly has a copyright that is useful for protecting the intellectual property they have created, including Moonton as a Mobile Legend online game developer.

In this case Shanghai Moonton Technology Co., Ltd. as the owner of the Mobile Legend online game, and Moonton as the Mobile Legend online game developer has registered the Mobile Legend trademark at the Directorate General of Intellectual Property. It is intended that the trademark gets legal protection based on the provisions of Article 3 of Law Number 20 of 2016 concerning Trademarks and Geographical Indications and can be used in Indonesia, because the protection of trademark rights is territorial.

On May 17, 2020 Shanghai Moonton Technology Co., Ltd. located at Room 810, No. 655, Yinxiang Road, Jiading District, Shanghai has registered the Trademark at the Directorate General of Intellectual Property (DJKI) with registration number D002018030956. The types of goods or services of the mark are: Computer software, recorded, mouse (computer peripherals), computer programs (downloadable software), mouse pads, computer game software, usb flash drives, computer programs, recorded, computer software applications, downloadable, computer operating programs, recorded, covers for smart-phones. Based on this, only Moonton has the right to sell tokens or items in the Mobile Legend online game or other rights in accordance with applicable laws and regulations in Indonesia.

In addition, based on checks made by the author on the website of the Directorate General of Intellectual Property, the recording of license agreements between Shanghai Moonton Technology Co., Ltd. And Indonesian individuals or legal entities either as users or as developers was not found. Therefore, only Shanghai Moonton Technology Co., Ltd as the owner and Moonton as the developer has the right to sell tokens or items in the Mobile Legend online game.

Referenced from their official page which can be accessed at <https://www.mobilelegends.com/id/info/3?policy=1>, Moonton as a developer has also provided terms of service that must be obeyed by every user of the mobile legend online game. In the terms of service published by Moonton, there are several points regulated in the intellectual property / ownership points, as for the things described in the intellectual property / ownership points including;

- a) Point 2.1 regulates the service items in the mobile legend online game details that have been registered for copyright with the Copyright Law of the People's Republic of China filed by the Developer.
- b) Point 2.2 reads that the developer has registered the copyright of each service detail that can be changed, copied, modified, sold in any form in any way, as a whole or by parts without being authorized by the developer.
- c) Point 2.3 reads that describes the developer being the full rights holder of each game service and that must be recognized by every game user.
- d) Point 2.4 reads that every existing license is non-transferable, and the existing license is to be used for playing games not for other purposes.

This point, explains that Moonton as a mobile legend online game developer also regulates virtual currency in this mobile legend online game. Virtual currency is commonly known as diamond vouchers. The things described in the virtual currency provisions include the following:

- a) Point 6.1 regulates related to virtual currency in this game that can distribute is only the developer and none of the parties have the right to distribute virtual currency in the game.
- b) Point 6.2 regulates that the developer has full power to take all actions related to virtual currency in the game. [13]

With the phenomenon of RMT Users and other Users when correlated with the Terms of Service provided by Moonton as a mobile legend online game developer, it is clear that the RMT activities of Users with other Users cannot be justified because they have violated several terms of service regarding intellectual property points and virtual currency points. The transactions that occur between users and users cannot be justified because users do not have the right to transfer everything related to the Services in the mobile legend online game including items and vouchers. That means if it is returned to the validity of the fourth condition related to a lawful cause, then it is certain that the user's RMT transaction with other users is not based on the object of lawful goods because each of the users does not have the right to civil ownership of items and vouchers that are used as the object of the user's RMT transaction with other users.

### **3.2 Legal Consequences of Buying and Selling Virtual Objects in the Mobile Legend Online Game**

After comprehensively dissecting the phenomenon of RMT transactions between users and other users, many legal problems arise and that causes legal consequences to arise. Based on the Civil Code, if the first and second conditions for the validity of an obligation (subjective conditions) are not met, the agreement can be canceled, and if the third and fourth conditions for the validity of an obligation (objective conditions) are not met, the agreement is null and void. If correlated with the phenomenon of RMT transactions between users and other users referred to whether or not it has been fulfilled, all RMT transactions between users and other users are null and void due to unfulfilled objective conditions because the object or goods used as the object of RMT transactions between

users and other users is not lawful and violates laws and regulations. This means that each user has no rights due to the absence of a license agreement to sell items and vouchers between fellow users. So the buying and selling of Mobile Legend online game items and vouchers carried out by users with users is illegal.

It does not stop there, RMT transactions between users and other users also have legal problems related to copyright infringement where Indonesia also has a regulatory instrument, namely Law Number 28 of 2014 concerning Copyright. Based on Law 28/2014 on Copyright, it states that Copyright is an exclusive right for the Creator or recipient of the right to publish or reproduce his Creation or give permission for it without prejudice to restrictions according to applicable laws and regulations [14]. Then in the same Law in Article 112 states that every person who without the right to perform the acts referred to in Article 7 paragraph (3) and / or Article 52 for commercial use, shall be punished with a maximum imprisonment of 2 (two) years and / or a maximum fine of Rp. 300,000,000.00 (three hundred million rupiah).

In addition, buying and selling in the territory of Indonesia carried out by users with official developers, namely Moonton, is allowed or legal because Shanghai Moonton Technology Co., Ltd. Has registered the Trademark at the Directorate General of Intellectual Property Rights with registration number D002018030956. However, the sale and purchase made by developers other than Moonton with users is null and void because it is not legal and violates laws and regulations. This means that the developer has no rights because there is no license agreement to sell items and vouchers between the developer and the user. So the buying and selling of Mobile Legend online game items and vouchers between developers and users is illegal. It becomes different if the game uses blockchain technology. Where virtual objects purchased by players can be NFTs that can be fully owned by players [15].

## 4 Conclusion

The Real Money Trading (RMT) method of buying and selling virtual objects between users is not legally justified and violates intellectual property rights. Although RMT transactions may offer relatively cheaper prices than buying from developers, users do not have legal ownership rights to the virtual objects being traded. This violates the concept of legal ownership under civil law, and it is also a violation of registered copyrights. As a result, RMT transactions between users are legally void due to the absence of objective criteria for a valid agreement. Additionally, copyright infringement may result in criminal penalties such as imprisonment and/or fines. Buying and selling with official developers like Moonton is legal in Indonesia because they have registered their trademark, but purchasing from other developers without a license agreement is illegal. Therefore, buying and selling virtual items and vouchers in Mobile Legends with unlicensed developers is unlawful. The implication of this study is that there is a need

for the Indonesian government to regulate RMT transactions and enforce intellectual property laws to protect both users and developers.

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