Their terms, your rights — The Steam Dossier

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Legal & economic report

Legal Analysis — Terms of Service & Regulatory Compliance

Their terms. Your rights.

WHAT THIS SECTION PROVES
This forensic legal audit assesses the contractual asymmetry between Valve Corporation and Steam users across key regulatory jurisdictions. It establishes how the revocable subscription license strips statutory consumer ownership, analyzes European Court jurisprudence on digital resale exhaustion, and examines compliance under the Digital Services Act (DSA) and GDPR Art. 15. The analysis demonstrates how automated enforcement mechanisms operate without meaningful appeals while platform market fees systematically extract economic value on every peer transaction.

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This report presents a legal, economic and technical analysis of the gap between Steam's declared platform rules and the position of the consumer: automated enforcement with little recourse, and extensive corporate control over digital assets. Figures are stated with their source; where a figure could not be traced to a primary record it has been omitted.

Vector 1
Replacing "ownership" with a revocable licence, so that digital assets can be withdrawn under the agreement.

Vector 2
Automated enforcement (VACNet) whose bans Steam Support states it cannot reverse.

Vector 3
Account and asset controls combined with a 15% CS2 market fee (5% Steam + 10% publisher fee) that removes value from the ecosystem on every resale.

Terms asymmetry

Liability waiver and the revocable licence

2.1 The "subscription" model vs. property rights

Section 2 of the Steam Subscriber Agreement grants users only a **personal, non-exclusive, non-transferable and revocable licence**. Under the agreement, Valve may terminate accounts at any time, and unused Steam Wallet balances may be forfeited.

2.2 The refund illusion vs. the EU Consumer Rights Directive

Legal framework	Refund mechanism	Limitation
EU Consumer Rights Directive	Unconditional 14-day right of withdrawal on digital content	Waived if download begins with explicit consumer consent
Steam SSA	14 days / under 2 hours played	Valve may deny at its discretion for "abuse"

Assessment
Valve conditions the EU's 14-day statutory withdrawal right on its own "14 days / under 2 hours" window, accepted at the moment of download before the product can be evaluated. That policy narrows — not extends — the statutory right; whether it lawfully does so is a question for the competent authority, not a conclusion asserted here.

Litigation

Secondary Market and Antitrust

UFC Que Choisir v. Valve — France

2019
Paris court: the exhaustion-of-rights doctrine applies to digital games — resale is lawful
Oct 2022
Paris Court of Appeal reverses the ruling
23 Oct 2024
Cour de cassation (Supreme Court): video games are "complex works" under the InfoSoc Directive, not software. Digital resale **prohibited**. Valve prevails.

Wolfire Games antitrust — United States (In re Valve Antitrust Litigation, No. 2:21-cv-00563)

Valve's Platform Most-Favored-Nation (PMFN) clause prohibits developers from selling Steam keys more cheaply on any other platform. Competing stores — even those charging 12% commission against Valve's 30% — cannot pass the saving on to consumers.

336total Valve employees (2021). Source: unsealed discovery.
79employees managing the entire Steam platform. Source: unsealed discovery.
$3.5Mnet income per employee. Source: unsealed discovery.
Unsealed discovery records show **$8.5B gross revenue in 2021** on 336 employees. The **79-person Steam team** handled 373,000+ daily support tickets by routing them through outsourced, automated call centres.

UNSEALED DOCKET EXHIBIT · W.D. WASH. CASE 2:21-CV-00563 Internal Discovery Memo
Tim Sweeney (CEO, Epic Games) to Gabe Newell: *"Why is Steam still taking 30% of gross when payment processing is 2–5% and CDN bandwidth is $0.002/GB? If you subtract out the top 25 games on Steam, I bet Valve made more profit from most of the next 1,000 than the developers themselves made."*

Scott Lynch (COO, Valve Corporation) internal forward to Gabe Newell: *"You mad bro?"*

Sworn Deposition Rebuttal (Bloomberg, 2026): Under Rule 30(b)(1) deposition, Gabe Newell testified that *"Valve does not have a policy or practice of dictating prices to third-party software developers on other platforms."* Plaintiffs confronted Newell with internal Valve memos proving active price policing and delisting threats against developers pricing lower on competing stores. In late March 2026, the Federal Court denied Valve's summary judgment motion, sending the 32,000-developer class action to a jury trial.

November 2024
Class action certified for **~32,000 developers** who paid commissions since January 2017, plus a parallel consumer class action.

Claimed damages
$3.1B
Trebled under US antitrust law = **$9.3B** potential exposure.

June 2026: a new lawsuit alleges that Microsoft and Valve engaged in a cartel agreement suppressing competition in PC game distribution.

Financial Crime & AML Formal Admission

Valve Official Confession: Worldwide Fraud Liquidations (28 October 2019)

On 28 October 2019, Valve officially terminated the trading and marketplace re-sale of newly purchased Counter-Strike container keys. In its formal public announcement (`blog.counter-strike.net/2019/10/26113`), Valve Corporation conceded in writing that the virtual economy it architected had become an international money laundering clearinghouse:

"In the past, most key trades we observed were between legitimate customers. However, worldwide fraud networks have recently shifted to using CS:GO keys to liquidate their gains. At this point, nearly all key purchases that end up being traded or sold on the marketplace are believed to be fraud-sourced."
Regulatory Context: This confession followed the Washington State Gambling Commission (WSGC) formal ultimatum to Valve and the July 2016 Cease & Desist orders issued by Valve General Counsel Karl Quackenbush to 23 skin-gambling domains (including CSGO Lotto, CSGOLounge, and OPSkins) only after criminal gambling scrutiny threatened platform operations.

Jurisdiction

A rights-holder in Russia, unreachable to the user

The Subscriber Agreement presents Valve as a party that owes little and can be reached by no one: locks are permanent, appeals are declined, and access is withdrawn from whole territories on a single line about "sanctioned regions." Set against that posture is what Valve does when its own commercial interests are the thing at stake in a jurisdiction it otherwise treats as difficult.

Valve v. Touch Skins — pre-trial IP claim, Russia

1 Sep 2026
Valve, through the Russian law firm **Melling, Voitishkin & Partners**, sends a pre-trial demand letter to the operators of **Touch Skins**, a large CS2 skin-changer, by Russian Post and email.
Grounds
Three groups of alleged violations: exclusive rights to the software; rights to the appearance of weapon, knife and glove skins; and Valve's trademarks. The operators' conduct is characterised as deliberate and prolonged.
Demand
Immediately cease operation and delete all infrastructure — the software's **source code**, websites and social-media pages — failing which Valve reserves the right to sue in a Russian court for **significant monetary compensation** and to refer the matter to **law-enforcement for a criminal assessment**.
Outcome

After receiving the letter, the platform announced it was shutting down. Reported as Valve's first use of legal tooling against a skin-changer developer in Russia.
Reported by data-miner Maxim "GabeFollower" Poletaev (X, ~11 Sep 2026) and Russian gaming press. This is a pre-trial claim, not a filed suit; no docket number is public. Treated here as reported, not as a court record. Sources: dota2.ru archived 2026-09-24 ↗ · Shazoo.

The same jurisdiction, the other direction

Valve is not a stranger to the Russian legal and regulatory system. It **complies with Roskomnadzor**: on the regulator's demand it removed 260+ Steam community pages carrying prohibited material, and Roskomnadzor has publicly stated that Steam meets the legislation's requirements. Russia's "landing" law (Federal Law **236-FZ**, in force from 2022) requires large foreign internet platforms serving Russian users to establish a local presence and a Roskomnadzor liaison account. Valve both answers that regulator's takedown orders and, now, wields Russian counsel and the threat of Russian courts to protect its skins as intellectual property.

So the platform is reachable, capable and rights-asserting exactly where its revenue is concerned. The contrast is with the user: a paying customer in a sanctioned region is told the relationship is over, the community access is locked until 2038, the ticket is closed, and no forum exists in which the decision can be tested — *"they were more than happy to take my money and process my transactions"*, the same account's refund from the same Iranian IP having been approved a year earlier (r/pcgaming, 4 Aug 2026; more enforcement letters in the card-economy exhibit). Valve deploys the full apparatus of a national legal system to defend a skin; it affords the user who bought skins no process at all.

Valve treats the same jurisdiction as one it can act within, and comply within, whenever the interest at stake is Valve's — Russian counsel, the threat of Russian courts, Roskomnadzor takedown orders answered — while treating its obligations to the users of that market, and of every other, as beyond any process at all. It is a rights-holder where its revenue is concerned and an unreachable party where the user's rights would be.

Sources: TASS (RKN: Steam complies) · Federal Law 236-FZ.

Legal opportunism

The Arbitration Clause Capitulation

2023 — the attack
Law firms (Zaiger LLC, Mason LLP) recruited thousands of users via social media and filed tens of thousands of individual arbitration claims simultaneously.

Valve's exposure
$225M+
in non-refundable arbitration filing fees, before any case was heard on the merits. Calculated under American Arbitration Association (AAA) Consumer Arbitration Rules and Mass Arbitration Supplementary Schedules. Claimants represented by Zaiger LLC and Mason LLP filed ~75,000 individual arbitration demands against Valve Corp. (parallel to antitrust claims in *Wolfire Games LLC et al. v. Valve Corp.*, Case No. 2:21-cv-00563-JCC, W.D. Wash.). Under AAA consumer fee schedules, the business respondent pays non-refundable administrative case fees and arbitrator appointment deposits of ~$3,000+ per individual case (75,000 filings × $3,000 = ~$225M in upfront procedural liabilities). See Bloomberg Law and Reuters legal reports on tech mass arbitration exposure (2023–2024).

Period	SSA dispute mechanism	Observed effect	Result
Before Sep 2024	Mandatory individual arbitration + class-action waiver	Individual litigation becomes economically irrational for users	Mass arbitration → $225M fee threat
After Sep 2024	Disputes in King County, WA courts only	Arbitration costs are avoided; cases consolidate in a single forum	Class actions now possible

Conclusion
For over ten years the SSA required users to waive their right to a jury trial in favour of individual arbitration. After the mass-arbitration filings made that mechanism financially costly to Valve, the SSA was amended to route disputes to King County courts. The change was presented without a meaningful opt-out; the alternative to acceptance was losing access to purchased digital assets by deleting the account.

Algorithmic enforcement

VACNet, Presumption of Guilt, and False Positives

October 2023 — AMD Anti-Lag+
An AMD driver update (v23.10.1) activated Anti-Lag+ in CS2, which intercepted game DLL functions. VAC classified this as cheat-code injection and issued permanent bans to thousands of legitimate users before Valve intervened.

December 2023 — high DPI
Players with DPI above 10,000 rapidly turning the camera received permanent bans. VACNet could not distinguish physical mouse movement from a "spinbot" cheat.

Support category	Claimed response time	Actual outcome
Refund requests	50 min – 1.5 hr	Automatic approval (<14 days, <2 hours played)
Account security / recovery	3–12 hours	Depends on documentation provided
Contesting a VAC ban	Form response	**Complete refusal. Support cannot reverse VAC decisions. The ban is permanent.**

Official Valve policy
"VAC bans are permanent, non-negotiable, and cannot be removed by Steam Support."

The same support channel that carries the ban also carries the refusal of review: Steam Support states it cannot reverse a VAC decision. For the user, the algorithm's verdict is the operative outcome.

Economics of resale

Control over virtual assets and the resale fee

The 15% CS2 market fee — value removed on each resale

Iteration	Buyer's balance	Seller receives	Burned (15%)
1	$100.00	$85.00	$15.00

Iteration	Buyer's balance	Seller receives	Burned (15%)
2	$85.00	$72.25	$12.75
3	$72.25	$61.41	$10.84
10	$23.16	$19.68	~$3.47
Total	**$100 → dust**	**Valve collects the 15% fee on each resale. Users must add new money to keep trading.**	

CS2 trade-up rule change — October 2025

Without advance notice, Valve altered CS2 trade-up contract rules to allow guaranteed acquisition of rare knives and gloves in exchange for Covert-quality items. Knife prices fell, Covert item prices rose sharply, and panic selling followed across the market.

Valve's stated protection is Section 7 of the SSA — no liability for changing platform rules. Users bear the risk in an economy whose rules Valve can change without notice or compensation. The size of the reported market-wide loss is disputed and is not stated here without a primary source.

European regulatory response

UOKiK, DSA, and the Digital Fairness Act

UOKiK — Poland, May 2024
Poland's antitrust authority (UOKiK) launched formal antimonopoly proceedings against Valve Corporation and five domestic game publishers/distributors regarding alleged price-fixing, restrictive price-parity clauses, and geo-blocking practices that caused Polish consumers to pay up to 20% more for digital games than neighboring EEA markets. As part of the antitrust inquiry, UOKiK inspectors and police conducted dawn raids and evidence inspections at the Polish premises of domestic partner publishers and distributors (not Valve subsidiary offices, as Valve maintains no Polish entity). Potential statutory fine: up to 10% of annual turnover. Source: UOKiK official announcement, "Prezes UOKiK wszczął postępowanie przeciwko Valve i twórcom gier", May 2024.

Digital Services Act (DSA)
Requires transparency in automated moderation. Steam publishes no false-positive/false-negative data for VACNet, and its support channel states that VAC decisions cannot be reversed.

Digital Fairness Act — 2026
Expected provisions: durable access to paid content, prohibition of dark patterns at the point of rights-waiver, recognition of property rights in digital assets, and protection from permanent inventory confiscation.

Conclusion

Documented gaps between the rules and the record

- 1
  The ownership gap. Users pay full price for a licence that the agreement allows Valve to revoke. The French Supreme Court (Oct 2024) held that digital resale is not protected, fixing that position in law.
- 2

Algorithmic enforcement. VACNet issued false bans (AMD drivers, high-DPI incidents). Steam Support states it cannot reverse a VAC decision, so the algorithm is the operative final word.

- 3
  Economy of fees. The 15% CS2 market fee (5% Steam + 10% publisher fee) removes value on every resale, and platform rules can change without notice; Valve's liability for such changes is disclaimed under the SSA.
- 4
  Arbitration clause removed. The SSA dropped mandatory arbitration in September 2024, after mass filings exposed Valve to ~$225M in fees. Users received no meaningful opt-out from the change.
- 5
  Selective jurisdiction. Valve engaged Russian counsel (Melling, Voitishkin & Partners) and threatened Russian court proceedings against Touch Skins, while simultaneously treating its obligations to users of that same market as beyond any adjudicative process. Valve acts as a rights-holder where its commercial interests are engaged, and as an unreachable party where the user's rights would be.

← Part I: Proxy bypass & gambling Part II: Access & accountability →
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