Australia's consumer watchdog sues US games giant Valve

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People play video games at Tysons Corner Center on November 21, 2013 in McLean, Virginia

Australia's consumer watchdog Friday said it was taking online US video games giant Valve to court for allegedly making "false or misleading representations" and refusing to offer refunds.

The Australian Competition and Consumer Commission said Valve

Corporation, which operates digital video games distribution platform Steam for more than 65 million customers worldwide, allegedly breached local consumer law.

"Valve may be an American-based company with no physical presence in Australia, but it is carrying on business in Australia by selling to Australian consumers, who are protected by the Australian consumer law," the ACCC said in a statement.

"The consumer guarantees provided under the Australian consumer law cannot be excluded, restricted or modified."

Under Australian law, consumers can insist on a refund or replacement if a product has a major fault.

ACCC said Valve made false or misleading representations to Australian customers of Steam, such as saying that consumers were not entitled to a refund, and that its games were not subject to statutory consumer guarantees.

Valve spokesman Doug Lombardi told Fairfax Media his firm, which has the lion's share of the video game digital distribution market, was "making every effort to cooperate with the Australian officials on this matter".

The first court hearing will be in Sydney on October 7.

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