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LEGAL UPDATES

A brand new world – protecting trademarks i

Sudeshna Banerjee of K&S Partners offers insights and strategies for brands to navigat

Luxury brands need to think about trademarks for their virtual goods authenticated by NFTs

With the popularisation and growth of the metaverse and, of course, the proliferation of non-fungible expanding into digital spaces. Versace, Tommy Hilfiger and McDonald's are some of the brands that a NFT-authenticated virtual goods, seizing the opportunities of the virtual world. Additionally, these br opportunities in the metaverse, as demonstrated by Gucci's opening of Gucci Town – a virtual space o 200 million.

NFTs' growth raises a common question: how do they intersect with intellectual property rights, espec provides some pointers on navigating the tricky terrain of protection of trademarks by examining som trademark offices of the US, Europe and the UK.

Hermès v. Rothschild: a landmark ruling for trademark infringement in the NFT space

In April, luxury brand Hermès International SA sued NFT creator Mason Rothschild for trademark in featured Hermès Birkin-branded bags. Rothschild claimed they were transformative works protected constitution that protects free speech. However, the jury disagreed, finding that the NFTs were a com Rothschild was ordered to pay Hermès \$133,000 in damages. This landmark case sets a precedent for the digital space, while also reminding NFT creators of the potential legal consequences of incorporati their work. Further, the decision provides clarity for brand owners and outlines factors they can consi However, considering the fast-evolving nature of this space, much would depend on each case at hand

Brands that were early movers



Several big brands such as Ralph Lauren, Louis Vuitton, Hugo Boss, Versace, Tommy Hilfiger, McDor Mastercard have already made the move to protect their trademarks for virtual goods authenticated b and Trademark Office (USPTO) and the European Union Intellectual Property Office (EUIPO), the lea are the fashion industry, digital media and the entertainment industry. Over 23,000 trademark applic descriptions, with 37% of applications filed before the USPTO and 9% applications filed with the EUI Office of the United Kingdom (UKIPO) has granted the most registrations for these applications over database indicates around 55 registered applications for the term 'downloadable virtual goods'.

Making the perfect NFT trademark application

At the Gucci Town hosted on Roblox, users can explore and express their individuality through Gucci with like-minded individuals. This has proved to be very lucrative for the brand owners – it sold a digital item for roughly \$4,200, whereas the physical version could be bought for \$3,500.

Similarly, Nike hosts NIKELAND on Roblox, which offers a lifestyle centered around sports with features like basketball courts and running tracks. Players can play mini games, try on iconic Nike Jordan brand and Converse pieces, and digitised Nike gear showcased in the game's outfit collection to customise their avatar.

Nivea, in a very innovative campaign, entered the metaverse through its NFT Touch Collection, with the brand's founder experienced a temporary loss of sight that made her discover the value of touch. This aligns with Nivea's focus on touch innovation, engaging their consumers in the process.

The future

With the metaverse poised to grow significantly in the years ahead, it is also essential for brands to explore the space for better management and enforcement of intellectual property rights. By aligning their branding, marketing, and sales with the metaverse's potential, brands can tap into untapped markets, create unique revenue streams and build