

Client Alert

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Registering Trademarks in the Metaverse

There has been much discussed and written about the “metaverse” in the last couple of years. In its broadest sense, the metaverse refers to open and immersive digital worlds that exist, at least in part, in cyberspace. The metaverse represents a complex and, in many ways, boundless digital universe that allows users to engage with others, share ideas and work with elements within a digital environment. Specifically, the metaverse permits users to participate in a variety of immersive platforms, including virtual marketplaces in which they can buy and sell digital assets, including NFTs, virtual worlds in which they can own virtual land and display their NFTs, crypto-based finance platforms known as decentralized finance (DeFi) and blockchain powered gaming. It is almost certain that the metaverse will continue to be an increasingly expansive space, especially for ecommerce, so it is critical to understand how brands can obtain protection for their goods and/or services via trademarks in the metaverse.

Brands establishing a presence in the metaverse and applying for trademarks covering their digital assets are ever-expanding. For example, major companies, including Nike, Saks, L’Oréal, Ralph Lauren and Gucci have filed trademark applications to cover their virtually branded items. It is uncertain if existing trademark registrations covering tangible goods and/or services provided in the “real” world extend to their replicas in the metaverse. For example, while a strong argument can be made (at least in the United States) that a trademark registration for apparel would extend to include “virtual” apparel, it is by no means certain. Outside of the United States, where the protection afforded trademark registrations is generally construed more narrowly, a trademark registration for an actual product or service may not extend to include a corresponding virtual product or service. With the metaverse still in early stages of development and growth, receiving adequate protection for trademarks that cover uses a brand owner is making or intends to make in the metaverse requires a legal strategy.

The process for obtaining a trademark registration for virtual goods and/or services in the metaverse is essentially the same as obtaining any trademark registration – an application is filed through the U.S. Patent and

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Trademark Office (USPTO) or through the comparable offices of any other country. When filing an application to register a trademark, brand owners must designate the goods and/or services on which they are using or intend to use the trademark. The classes for virtual goods and/or services in the metaverse will likely differ from the classes for the actual goods and/or services. The primary classes of applications brand owners will typically file for their virtual goods and/or services include Classes 9 (downloadable virtual goods), 35 (retail store services featuring virtual goods), 36 (virtual financial services), 38 (electronic broadcasting of virtual content) and 41 (providing non-downloadable virtual goods).

One of the first steps in receiving protection for a trademark and an effective way for a brand to protect its virtual products or services is by filing trademark applications in both the United States and in other countries of interest to the brand owner. Given the uncertainty of whether a brand's current trademark registrations or applications are broad enough to cover virtual goods and/or services, it is recommended that brands consult with legal counsel to determine the best way forward and develop a strategy to protect their brands in the virtual universe.

Please contact the Olshan attorney with whom you regularly work or one of the attorneys listed below if you would like to discuss further or have questions with respect to this matter.

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