

EU Trade marks in virtual environments: latest developments and next challenges

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23rd January 2024

PROGRAMME

35'
Presentation

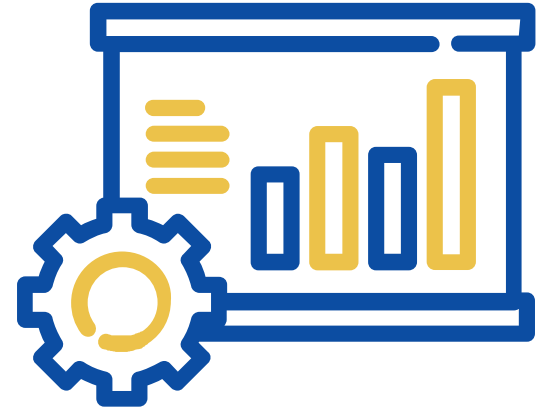
1. Introduction: what is the metaverse?
2. Terminology
3. Classification
4. Comparison of virtual and real-world goods
5. Use of EUTMs in the metaverse

15'
Questions and answers

Before we start...

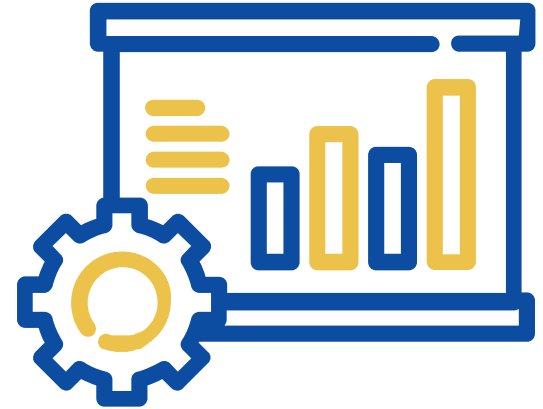
Before we start...

A quick poll



Before we start...

A quick poll



Have you ever used the Metaverse?

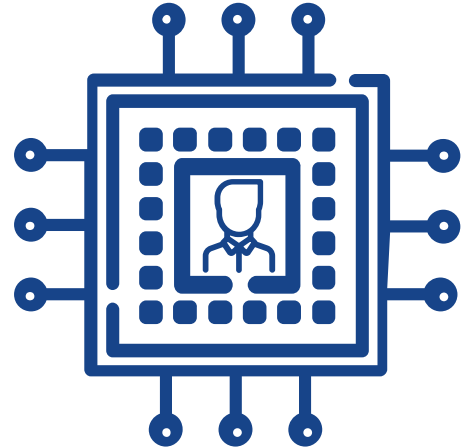
Please use **YES** or **NO** on the voting buttons

1

Introduction: what is the metaverse?

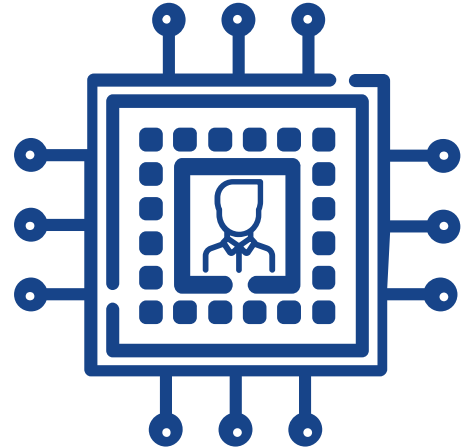
Introduction: what is the metaverse?

- The combination of the Greek prefix “**meta**” (beyond) and the term “**universe**”



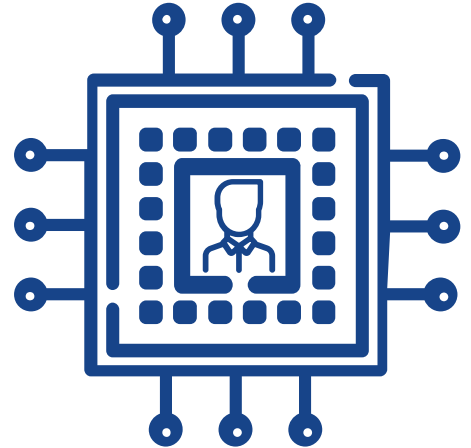
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- “A proposed **version of the internet** that incorporates **3D virtual environments**” (Collins)



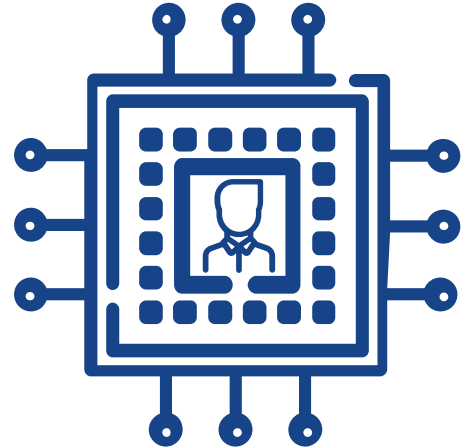
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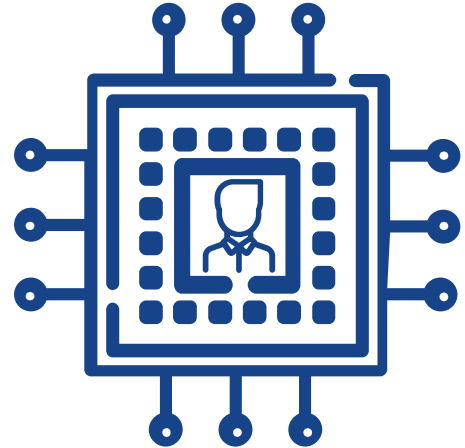
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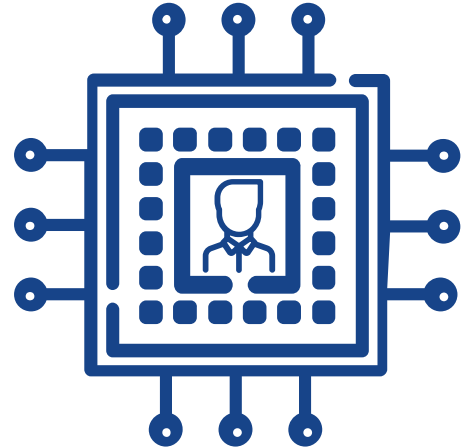
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- “I believe the metaverse is the next chapter for the internet” (Mark Zuckerberg)
- “It’s just an **online social entertainment experience in a real-time 3D setting**. You and your friends, going around having fun together, in a 3D world” (Tim Sweeney)



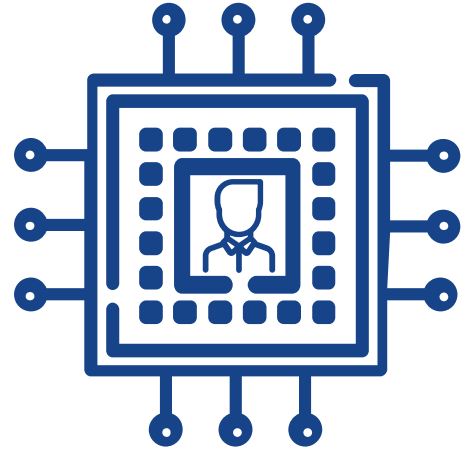
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- An **immersive** and **constant virtual 3D world** where **people** may **interact** through an **avatar**.



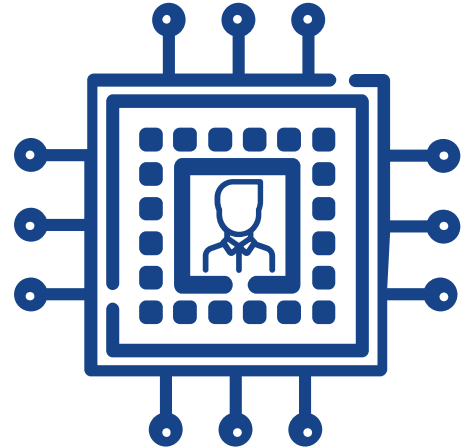
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- An immersive and constant virtual 3D world where people may interact through an avatar.
- There is **no one all-encompassing metaverse** (at the moment).



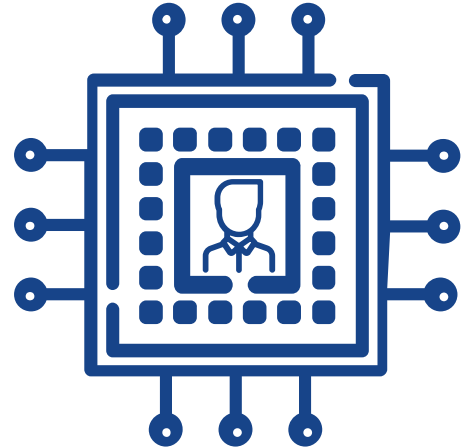
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- **Centralized** and **decentralized** metaverses exist.



Introduction: what is the metaverse?

- An immersive and constant virtual 3D world where people may interact through an avatar.
- There is no one all-encompassing metaverse (at the moment).
- Centralized and decentralized metaverses exist.
- It can also be a **virtual marketplace** where users can **trade digital** or **physical items** (e.g. accessories for their avatar) or attend **virtual events** and concerts.



Introduction: what is the metaverse?

Case law from EUIPO Boards of Appeal:

28/02/2023, R 2356/2022-2, METAVERSE DRINK

28/02/2023, R 2357/2022-2, METAVERSE FOOD

Introduction: what is the metaverse?

Case law from EUIPO Boards of Appeal:

METAVVERSE DRINK

for, inter alia, non-alcoholic beverages (Class 32)

METAVVERSE FOOD

for, inter alia, pharmaceutical preparations, nutritional supplements and foodstuff
(Classes 5, 29 and 30)

28/02/2023, R 2356/2022-2, METAVVERSE DRINK

28/02/2023, R 2357/2022-2, METAVVERSE FOOD

Introduction: what is the metaverse?

Case law from EUIPO Boards of Appeal:

- The term 'METAVERSE' refers to a **virtual space**.
- The metaverse is not only avatars, alternative reality and virtual products. It is also another version of **e-commerce**.
- Companies use the metaverse to **promote their goods** and brands in order to **increase sales** of their goods in the **real world**.

28/02/2023, R 2356/2022-2, METAVERSE DRINK, § 16 and 21;

28/02/2023, R 2357/2022-2, METAVERSE FOOD, § 17 and 22

Introduction: some statistics

Term in lists of goods and services	2021	2022	2023
<i>Virtual goods</i>	241	2056	1187
<i>NFT</i>	228	2161	1864
<i>Virtual environment</i>	128	727	361
<i>Metaverse</i>	6	474	300

Data extracted from eSearch plus

2 Terminology

Terminology

Virtual goods

Terminology

Virtual goods refers to **non-physical items** intended **for use** in the course of **trade in online and/or virtual environments**

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i) they may merely **depict** real-world goods



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i) they may merely depict real-world goods

ii) they may **emulate functions** of real-world goods



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Virtual goods refers to non-physical items intended for use in the course of trade in online and/or virtual environments

i) they may merely depict real-world goods

ii) they may emulate functions of real-world goods

iii) they may represent items with **no equivalent in the real world**



Terminology

Virtual services

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Virtual services may refer to:

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i) real-world services that are provided via online and/or virtual environments



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Virtual services may refer to:

i) real-world services that are provided via online and/or virtual environments



ii) services developed for the virtual environment that emulate a real-world service



Terminology

Virtual services may refer to:

- i) real-world services that are provided via online and/or virtual environments
- ii) services developed for the virtual environment that emulate a real-world service
- iii) services developed for the virtual environment **without counterparts in the real world**



Terminology

Non-fungible tokens (NFTs)

Terminology

Non-fungible tokens (NFTs)

cryptographic tool that uses a blockchain to create a unique, non-fungible digital asset which can be owned and traded*

[*Intellectual Property Rights and Distributed Ledger Technology with a focus on art NFTs and tokenized art, point 2.1, page 13](#)

Terminology

Non-fungible tokens (NFTs)

cryptographic tool that uses a blockchain to create a unique, non-fungible digital asset which can be owned and traded*

*Intellectual Property Rights and Distributed Ledger Technology with a focus on art NFTs and tokenized art, point 2.1, page 13

- are **unique digital certificates** that can be used as a means of **recording an interest** of some kind in relation to **an item** (e.g. ownership of digital artwork);
- relate to an **item other than themselves**, but are **not the same** as the item they link to, in relation to which they perform a **function of authentication**;
- can be linked to **digital** or **physical** assets.

3 Classification

Classification of virtual goods

Classification: digital content → **Class 9**

Classification of virtual goods

Classification: digital content → **Class 9**

not the same function, purpose and nature as their real-world counterparts (e.g. *virtual clothing* may ‘dress’ an avatar but not a human being)

Classification of virtual goods

Description: needs **clarity** and **precision**

Classification of virtual goods

Description: needs **clarity** and **precision**

→ **Class 9: downloadable *virtual clothing***

(Nice Classification alphabetical list, 2024)

Classification of NFTs

Non-fungible tokens (NFTs)

Classification of NFTs

Non-fungible tokens (NFTs)

- are **unique digital certificates** that can be used as a means of **recording an interest** of some kind in relation to **an item**;
- relate to an **item other than themselves**, but are **not the same** as the item they link to, in relation to which they perform a **function of authentication**;
- can be linked to **digital** or **physical** assets.

Classification of NFTs

Non-fungible tokens (NFTs)

→ are classified in accordance with the item they authenticate.

Classification of NFTs

Class 9:

- *downloadable **digital image files** authenticated by non-fungible tokens [NFTs]*
- *downloadable **digital music files** authenticated by non-fungible tokens [NFTs]*

(Nice Classification alphabetical list, 2024)

Classification of NFTs

Class 25:

- ***clothing authenticated by non-fungible tokens [NFTs]***

(Nice Classification alphabetical list, 2024)

Classification of services for use in virtual environments

Virtual services

Classification of services for use in virtual environments

Virtual services

- **real word-services** that are **provided via online and/or virtual environments**
- **services developed for the virtual environment that emulate a real-world services** or that have **no counterparts in the real world**

Classification of services for use in virtual environments

Virtual services

- classification according to the **nature and intended purpose** of the service taking into account its **impact in the real world**

Classification of services for use in virtual environments

Virtual services

General Remarks of the 12th Edition of the Nice Classification, 2024 version

Classification of services for use in virtual environments

Virtual services

General Remarks of the 12th Edition of the Nice Classification, 2024 version

‘The means by which a service is rendered **does not** in principle **affect** the classification of the services unless the **purpose** or **result** of a service **changes** due to its means or place of delivery’

Classification of services for use in virtual environments

Class 41:

- *simulated travel services provided in virtual environments for entertainment purposes*

(Nice Classification alphabetical list, 2024)

4

Comparison of virtual and real-world goods

Comparison of virtual and real-world goods

VIRTUAL vs REAL-WORLD goods

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➤ Likelihood of confusion – **CANON** factors

29/09/1998, C-39/97, Canon, EU:C:1998:442

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Same interpretation?

Different criteria?

Comparison of virtual and real-world goods

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**Article 95(1)
EUTMR**

- #### ➤ **Inter partes proceedings:** the Office is restricted in its examination to the **facts, evidence** and **arguments** provided by the parties

Comparison of virtual and real-world goods

VIRTUAL vs REAL-WORLD goods

➤ Likelihood of confusion – **CANON factors**

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Same interpretation?

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Article 95(1)
EUTMR

- **Inter partes proceedings:** the Office is restricted in its examination to the **facts, evidence** and **arguments** provided by the parties.
- **Even if the degree of similarity of the G&S is a matter of law, this examination is restricted to well-known facts**

09/02/2011, T-222/09, Alpharen, EU:T:2011:36, § 31-32;

03/07/2013, T-106/12, Alpharen, EU:T:2013:340, § 51

Comparison of virtual and real-world goods - example



Virtual game cards in Class 9

VS



Game cards in Class 28

Comparison of virtual and real-world goods - example



Virtual clothing in Class 9

VS



Clothing in Class 25

Comparison of virtual and real-world goods - example



Virtual clothing in Class 9

VS



Software in Class 9



Comparison of virtual and real-world goods - example



Bicycles in Class 12

VS



Virtual bicycles in Class 9

5 Use of EUTMs in the metaverse

Use of EUTMs in the metaverse

IN THE CONTEXT OF:

- Acquired distinctiveness
- Genuine use
- Enhanced distinctiveness
- Reputation

Use of EUTMs in the metaverse

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MAIN CHALLENGES

- **Territory** (EU or Member State)
- **Relevant goods and services**

Use of EUTMs in the metaverse – relevant territory

The Standard

13/07/2022, T-768/20, The standard (fig.), EU:T:2022:458

Use of EUTMs in the metaverse – relevant territory



The Standard

- The GC distinguishes between the place of provisions of the (hotel) services and the place of use of the EU trade mark

13/07/2022, T-768/20, The standard (fig.), EU:T:2022:458

Use of EUTMs in the metaverse – relevant territory



The Standard

- The GC distinguishes between the place of provisions of the (hotel) services and the place of use of the EU trade mark
- **only the place of use of the mark is relevant to the examination of the genuine use of an EU trade mark**

13/07/2022, T-768/20, The standard (fig.), EU:T:2022:458

Use of EUTMs in the metaverse – relevant territory



The Standard

- The GC distinguishes between the place of provisions of the (hotel) services and the place of use of the EU trade mark
 - only the place of use of the mark is relevant to the examination of the genuine use of an EU trade mark
- **The GC concludes that acts of advertising and offering for sale are relevant for the purposes of establishing genuine use of the mark in so far as they occur in the relevant territory**

13/07/2022, T-768/20, The standard (fig.), EU:T:2022:458

Use of EUTMs in the metaverse – relevant territory

What type of evidence?

Use of EUTMs in the metaverse – relevant territory

What type of evidence?

→ any type of evidence (e.g. online evidence)

26/06/2019, T-651/18, HAWKERS (fig.) / HAWKERS (fig.) et al., EU:T:2019:444 § 35

Use of EUTMs in the metaverse – relevant territory

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26/06/2019, T-651/18, HAWKERS (fig.) / HAWKERS (fig.) et al., EU:T:2019:444 § 35

How to prove it?

Use of EUTMs in the metaverse – relevant territory

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26/06/2019, T-651/18, HAWKERS (fig.) / HAWKERS (fig.) et al., EU:T:2019:444 § 35

How to prove it?

→ **online evidence: relevant public must be exposed to the trade mark**

19/10/2022, T-275/21, Chequerboard pattern (fig.), EU:T:2022:654 § 84

Use of EUTMs in the metaverse – relevant territory

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26/06/2019, T-651/18, HAWKERS (fig.) / HAWKERS (fig.) et al., EU:T:2019:444 § 35

How to prove it?

→ online evidence: relevant public must be exposed to the trade mark

19/10/2022, T-275/21, Chequerboard pattern (fig.), EU:T:2022:654 § 84

→ **online evidence: details of subscribers/visitors providing information on their origin**

26/06/2019, T-651/18, HAWKERS (fig.) / HAWKERS (fig.), EU:T:2019:444, § 33;

19/10/2022, T-275/21, Chequerboard pattern (fig.), EU:T:2022:654 § 92

Use of EUTMs in the metaverse – relevant goods and services

General principles:

Use of EUTMs in the metaverse – relevant goods and services

General principles:

- the mark must be used for the goods or services for which it is registered;
- use cannot be accepted for ‘different’ but somehow ‘linked’ goods or services.

Use of EUTMs in the metaverse: relevant goods and services - example

Virtual goods refers to non-physical items intended for use in the course of trade in online and/or virtual environments

Use of EUTMs in the metaverse: relevant goods and services - example

Use of an EUTM registered for *virtual clothing* in Class 9



Evidence of use submitted:

Use of EUTMs in the metaverse: relevant goods and services - example

Use of an EUTM registered for *virtual clothing* in Class 9



Evidence of use submitted:

- Invoices showing sales of *virtual clothing* to be worn by an avatar



Use of EUTMs in the metaverse: relevant goods and services - example

Use of an EUTM registered for *virtual clothing* in Class 9



Evidence of use submitted:

Use of EUTMs in the metaverse: relevant goods and services - example

Use of an EUTM registered for *virtual clothing* in Class 9



Evidence of use submitted:

- Invoices showing sales of the corresponding **physical clothing** for humans;
- Advertising material showing digital representation of clothing **only to promote** sales of **real-world clothing** for humans.





To wrap up...

Wrap up

- **All digital content goes to Class 9** (including all virtual goods).
- It is not the NFT as such which is protected, but **the items** (physical or digital) **which the NFT authenticates**.
- Services are classified according to **the impact that they will have in the real world**.



Wrap up

- The metaverse is a **new market** which encompasses a **wide range of industries**.
- Facts related to the metaverse are still **very novel and rapidly evolving**, so they **cannot be considered as being customary** and **generally known** by the **average consumer**.
- In the context of ***inter partes* proceedings**, when comparing virtual and real-world goods, **the Office** will mostly **rely on the facts, arguments and evidence provided by the parties**.



Wrap up

- In the **assessment of use of an EUTM, acts of advertising and offering for sale of virtual goods or services** offered in **virtual environments can be relevant** in so far as they occur in the **relevant territory**.
- **Virtual goods must be used as such in the course of trade:** use of a digital representation of a product only with aim at promoting the sale of the corresponding real-world good would not amount to use of an EUTM for the equivalent virtual good in Class 9.



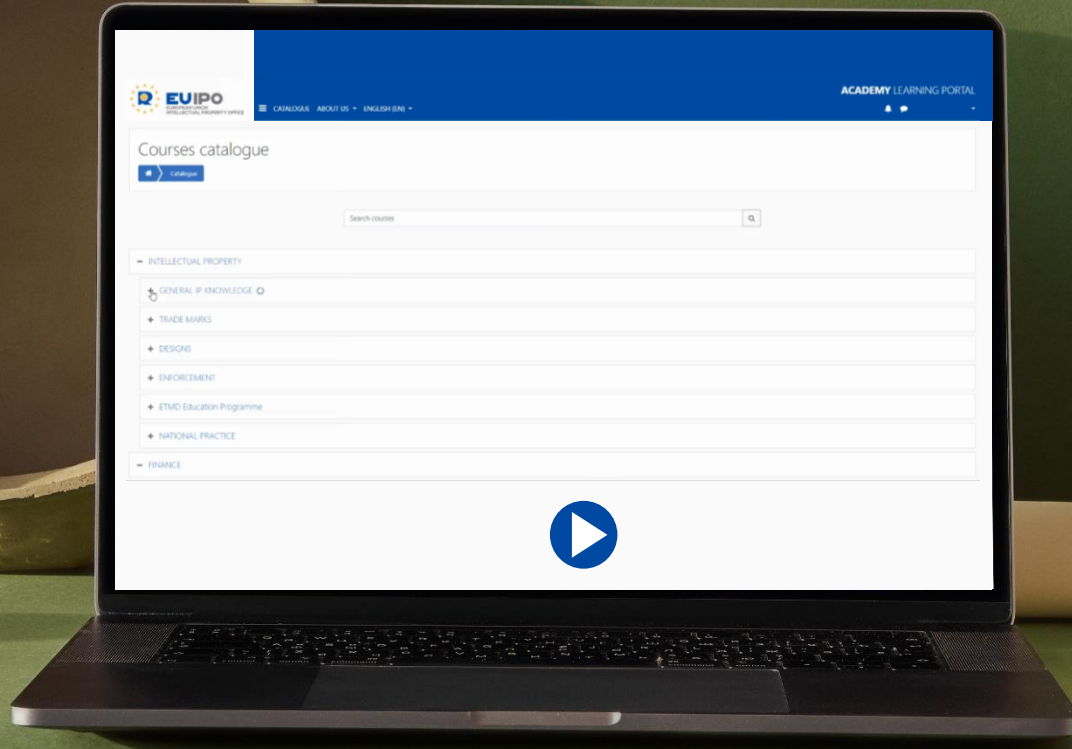
Wrap up

- **Guidelines 2024**





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THANK YOU



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