

Metaverse on the rise: Updates on trademark examination practice in the US and Vietnam

Summary

- The metaverse has captured the attention of global brands and consumers, urging them to establish a foothold in this virtual world. However, the rise of the metaverse elevates some knotty legal issues, particularly in the area of trademark law.
- While the legal framework and trademark examination guidelines surrounding the metaverse remain unclear and ambiguous, trademark owners are entering this virtual landscape with new trademark filings. These moves appear to be beneficial in protecting digital trademarks from third-party infringement while also leaving the door open for future projects. In addition, trademark offices worldwide are dealing with early-filed trademark applications in order to keep up with the emerging and evolving metaverse landscape.
- This article sheds light on trademark examination practice with regard to metaverse-related applications in the United States and Vietnam, offering practical insights to trademark owners as they navigate their moves and trademark protection strategies at the metaverse frontier.
 - In the US: Office actions regarding formality examination cover issues in classification and clarification of virtual-related items, whereas substantive examination office actions address the clash between virtual and physical goods/services.
 - In Vietnam: Formality examination office actions revolve around misclassification and ambiguous terms/descriptions relating to virtual goods and services. Substantive examination, on the other hand, may come much later, once guidelines for examining virtual-related applications are available.

Further details are set out below.

In more detail

1. Trademark examination practice in the US

Formality examination: Issues in classification and clarification of virtual-related items

Certain issues surrounding virtual goods and non-fungible tokens (NFTs) (Class 9) and virtual marketplaces (Class 35), to name a few, have been raised as the reasons for the office actions issued by the United States Patent and Trademark Office (USPTO). Here are some recent examples of the USPTO's formality examination practice:

- **Class 9:** The USPTO expressed their view on "NFTs" and "virtual goods" in refused applications as follows: The term "NFTs" is indefinite. The type of NFTs must be stated, and the contents of such NFTs must be specified. Meanwhile, virtual goods, such as digital trading cards, are also indefinite, and the format must be stated. (US Application Serial No. 97052604).

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The USPTO appears to take the same approach as the European Union Intellectual Property Office (EUIPO) in terms of classification and necessary clarification of virtual goods and services. According to the EUIPO's recent guidelines, the term "virtual goods" lacks clarity and precision on its own, so the related virtual goods (e.g., downloadable virtual goods, namely, virtual clothing) must be specified. On its own, the term "NFTs" is also unacceptable; the type of digital item authenticated by the NFTs must be specified.

- **Class 35:** According to the USPTO, "online retail store services featuring NFTs" in the identification of goods are indefinite and must be clarified because the applicant must identify the type of downloadable digital goods that are authenticated by NFTs." (US Application Serial No. 97049095).

Substantive examination: Clash between virtual and physical goods/services

The conflict between physical goods and virtual goods, and the question of whether digital assets should qualify as "goods" for trademark purposes, are controversial legal questions in the metaverse.

Some argue that virtual items generated by computer code should be treated differently than physical products. A computer-coded digital file of a bag, for example, should not be considered identical to a physical bag. Some also argue that a traditional trademark registration for real-world goods should be enough to cover such goods in virtual reality.

While US courts have yet to resolve certain contentious trademark disputes around this issue, the USPTO has recently issued some office actions ruling on the conflict between virtual and physical goods/services, as discussed below:

- **"Digital trading cards" (Class 9) are related "physical card games" (Class 28)**

In the office action issued against US Application Serial No. 97052604, where the two parties' marks are identical (REVOLVE), the USPTO held that "digital trading cards" may be related to physical card games. The USPTO based its decision on the fact that many commercial entities now sell both physical and digital trading cards. With this reasoning, it may arguably make sense to protect the rights of a company that is already selling physical trading cards and is now expanding into and selling digital trading cards under the same brand.

- **"Traditional event-related services" (arranging, organizing, conducting, and hosting social entertainment events) presumably encompass "virtual-related events" – all in Class 41**

In the office action issued against US Application Serial No. 97206182, where the two parties' marks are identical (MET GALA), the USPTO concluded that traditional event-related services with broad wording (arranging, organizing, conducting, and hosting social entertainment events) may be sufficient to encompass all goods and/or services of the type described, including new applicants' narrower virtual-related services (organizing, arranging, and conducting virtual fashion and social events; entertainment in the form of virtual fashion shows.)

- **"Retail store services featuring virtual goods, namely, toddler boy clothing for use in online virtual worlds" (Class 35) are related to traditional clothing (Class 25)**

In the office action issued against US Application Serial No. 97044016, where the two parties' marks are identical (LITTLE CLOSET), the USPTO determined that the goods and services covered by these two marks are related for likelihood of confusion purposes. In this case, the applicant's retail store services featuring virtual goods, specifically "toddler boy clothing," and the registrant's goods cover a wide range of clothing, including children's clothing. Therefore, the goods are commercially related because they are all of the nature of children's clothing. The USPTO reinforced its reasoning with evidence from online sources that some providers of physical goods are selling the same digital goods in virtual environments.

These office actions are only the tip of the iceberg. However, because the fundamental legal issue addressing the direct clash between virtual and real-world goods has yet to be resolved, we believe that such office actions may be a small step toward a more comprehensive assessment of trademark conflicts between the real and virtual worlds.



2. Trademark examination practice in Vietnam

In Vietnam, the metaverse has also taken the public by storm. Several companies have launched NFT collections as a new way to reach existing and potential customers. Vietnam is a hub for the NFT boom, with the country ranking among the world's top five in terms of figures for NFT users. ([Reference Link](#))

Vietnam's rise in the metaverse has also prompted significant moves in trademark protection from trademark owners. Even though Vietnam's virtual legal framework and trademark examination guidelines remain murky, numerous global and local entities have entered the metaverse through new virtual filings in the country. Some trademark owners have even moved forward with new multijurisdictional filings because NFTs are boundless and may be accessible to consumers worldwide via blockchain.

The Intellectual Property Office of Vietnam (VNIPO) has recently issued some office actions (i.e., formality examinations) relating to applications covering virtual goods and services. Misclassification and ambiguous terms/descriptions relating to virtual goods and services such as NFTs and blockchain are the most common reasons for formality refusals.

Substantive examination, on the other hand, may come much later, once the VNIPO's guidance on the examination of virtual-related applications becomes available. There will be more to watch in the coming months, when the VNIPO rules on the substantive examination of metaverse-natured trademark applications and spells out the conflict between the virtual and physical worlds.

Conclusion

The metaverse has no boundaries, but trademark protection does. While the metaverse is still in its early stages, brand owners should stay ahead of the curve by taking bold measures to combat infringers in the metaverse, while also ensuring that they have sufficient trademark protection in place to thrive in the virtual world.

For the time being, businesses should prioritize auditing their current trademark portfolios and filing virtual-related trademark applications in the metaverse, while keeping an eye out for potential infringements at this technological frontier.

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