

Features

# What You Should Know About Trademark Applications for the Metaverse in China

#### Published: August 30, 2023



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The metaverse has become a sensation over the past two years. In October 2021, Facebook brought the technology to the masses, renaming itself as Meta along the way. Technology companies developed metaverse platforms that perform both entertainment and working functions, while others, including trademark practitioners, mapped out their business plans in this niche.

The word "metaverse" is made up of the prefix "meta" (meaning beyond) and the stem "verse" (a backformation from "universe"). The metaverse is a digital reality that combines aspects of social media, online gaming, augmented reality, virtual reality, and cryptocurrencies to allow users to interact virtually.

What are the questions a trademark attorney would ask about the metaverse? Is METAVERSE registrable? If so, in which class? Would an application be accepted?

#### Trademark Possibilities in the Metaverse

The number of applications to the U.S. Patent and Trademark Office (USPTO), the European Union Intellectual Property Office (EUIPO), and the China National Intellectual Property Administration (CNIPA) seeking to register trademarks for use in virtual reality, including from leaders in the food and apparel industries, like McDonald's and Nike, has surged.

#### McDonald's

In February 2022, McDonald's filed 17 trademark applications before the USPTO and the EUIPO for virtual products and services, for its house marks for the following goods and services:

| Class | Goods/Services  |
|-------|---|
| 9     | Virtual food and beverage products. Downloadable multimedia files containing artwork, text, audio, and video files, and non-fungible tokens |
| 35    | Online retail services featuring virtual goods  |
| 41    | Entertainment services, namely, providing online actual and virtual concerts and other virtual events                                       |
| 43    | Operating a virtual restaurant featuring actual and virtual goods, operating a virtual restaurant online featuring home delivery            |

Class 43 basically covers McDonald's core services, which embeds "metaverse" into its main business by expanding it from real-life restaurants to its counterpart online. The EUIPO has accepted virtual products in Class 9, while the USPTO requires an identification of good/services, and the descriptions are modified to "downloadable virtual goods in the nature of image files of food and beverages for use in online virtual worlds; etc."

#### Nike

In October 2021, Nike filed a number of trademark applications before the USPTO and the EUIPO for its core marks for goods and services used in the virtual reality world, including:

| Class | Goods/Services   |
|-------|--|
| 9     | Downloadable virtual goods, namely, computer programs featuring footwear, clothing, headwear, eyewear, bags, sports bags, backpacks, sports equipment, art, toys and accessories for use online and in online virtual worlds   |
| 35    | Retail store services featuring (in relation to) virtual goods, namely, footwear, clothing, headwear,<br>eyewear, sports bags, backpacks, sports equipment, art, toys and accessories for use online; online retail<br>store services featuring (in relation to) virtual merchandise, namely, footwear, clothing, headwear,<br>eyewear, bags, sports bags, backpacks, sports equipment, art, toys, and accessories |
| 41    | Entertainment services, namely, providing online, non-downloadable virtual footwear, clothing,<br>headwear, eyewear, bags, sports bags, backpacks, sports equipment, art, toys and accessories for use in<br>virtual environments  |

Nike also filed numerous trademark applications before the CNIPA for the same core marks in Classes 9,

35, 41, and 42, for the following goods and services:

| Class |
|-------|
|-------|

| 9  | Downloadable computer programs, virtual reality game software, downloadable computer application<br>software, downloadable computer game software, recorded computer game software, computer<br>software (recorded), downloadable electronic game programs, downloadable video game programs,<br>downloadable mobile phone applications, electronic publications (downloadable), animations,<br>downloadable video files, downloadable graphics for mobile phones, downloadable images for mobile<br>phones, downloadable electronic wallets, computer software for processing digital images, recording<br>devices for sound and image carriers, headsets for virtual reality, virtual reality glasses, earphones for<br>virtual reality games |
|----|---|
| 35 | Presentation of goods on communication media, for retail purposes; providing online marketplaces for<br>buyers and sellers of goods and services; marketing; advertising; sales promotion for others; online<br>promotion of computer networks and websites; providing online catalogs of business information on the<br>Internet   |
| 41 | Entertainment services; providing entertainment information through a website; providing<br>entertainment information; providing online virtual reality games on a computer network; game services<br>provided online through a computer network; providing online games on a computer network; electronic<br>game services provided by means of the Internet; providing non-downloadable, online electronic<br>publications; animation production services; layout services, other than for advertising purposes; online<br>publication of electronic books and journals; film production other than advertising films   |
| 42 | Dress designing; animation design (for others); computer software design and development; computer game software design and development; software design and development; multimedia product design and development; computer program design, production, or maintenance; computer video game programming; computer game programming; computer graphics design; video game development services; cross-platform conversion of digital content forms; online data storage services; electronic data storage; data conversion of electronic information; design and development of virtual reality software; design and development of mobile application software; Software as a Service (SaaS)  |

One notices that the goods and services filed before the CNIPA are different from those filed before the USPTO and the EUIPO. You can draw conclusions yourself after comparing the different practices of the three offices regarding virtual goods and services.

Class 9 is the most important class for the new virtual business boom, as it covers virtual goods; downloadable computer programs featuring certain kinds of goods, or downloadable multimedia files containing artwork, text, audio and video files, and non-fungible tokens (NFTs); downloadable art image files authenticated by NFTs; downloadable computer software in the nature of NFTs; NFTs used with blockchain technology, namely, downloadable image and multimedia files containing artwork; downloadable digital art.

### <sup>56</sup> Trademark applications for marks containing the words METAVERSE, or METAVERSE in Chinese, are losing their registrability.

It seems that CNIPA is cautious about descriptions of virtual reality-related goods and services. So far, it has only accepted descriptions like downloadable computer programs and downloadable video files. Descriptions like downloadable virtual products, NFTs, or downloadable digital art are not acceptable in China now. Brand owners have turned to alternatives.

Class 41, which includes education and entertainment services, is another key class. Running a McDonald's restaurant in the metaverse is more accurately defined as entertainment and not food (Class 30) or restaurant services (Class 43).

#### **Seeking Protection in China**

#### China Likely to Reject Trademarks Containing METAVERSE

Results of a quick search on the TMview website show 32 registered trademarks in Class 9 composed of or containing the word METAVERSE filed with intellectual property offices around the world, including China, the EUIPO, France, Germany, India, the Philippines, the United Kingdom, and the World Intellectual Property Organization.

As of February 21, 2022, more than 16,000 trademark applications related to METAVERSE, and METAVERSE in Chinese, have been filed with the CNIPA, and many by leading companies in the technology field. Tencent, for instance, applied for marks containing the term METAVERSE in Chinese, such as QQ元宇宙 (QQ METAVERSE in Chinese), 腾讯音乐元宇宙 (TENCENT MUSIC METAVERSE in Chinese), etc., in Classes 9, 16, 25, 28, 35, 38, 41, 42, and 45. BYD, a famous automobile company, applied for the mark 比亚迪元宇宙 (BYD METAVERSE in Chinese) in Class 12. The CNIPA is still examining some of these applications, while it has refused others.

We believe that the term "metaverse" is becoming synonymous with emerging technologies, and its inherent distinctiveness has gradually been diluted. Therefore, trademark applications for marks containing the words METAVERSE, or METAVERSE in Chinese, are losing their registrability.

In the official decisions of reviews of refusal made in May 2022 against the trademark 跳动元宇宙 (JUMPING METAVERSE in Chinese) in Classes 28, 35, 38, 42, and 45, the CNIPA ruled that this trademark was deceptive of the contents of the services and should not be allowed to be used as a trademark (Art.10, para. 1, item 7, absolute ground).

## **66** Class 9 is the most important class for the new virtual business boom.

In another series of refusal decisions against the trademarks META PAY, METAWALLET, and META AI in Classes 9 and 36 in late 2021, the CNIPA ruled that the applicant had submitted a large number of trademark applications, many of which are the same or similar to trademarks or certain popular virtual financial trading platforms and failed to demonstrate an intent to use, and therefore shall be rejected (Art. 4, absolute ground).

#### Acceptable Applications Related to METAVERSE

The CNIPA will only accept the standard goods and services listed in the Chinese Classification of Similar Goods and Services. There is also a supplementary list of additional acceptable items which the CNIPA regularly updates and releases to the public. So how do you declare the most suitable and acceptable goods and services when applying for a Chinese trademark related to METAVERSE?

Using keywords derived from "metaverse," such as "virtual," "digital," "multimedia," "smart," "intelligence," "blockchain," and "encryption" in the CNIPA database, we were able to compile the following acceptable goods and services descriptions:

#### Key Word "Virtual"

| Class | Acceptable Goods/Services in China   |
|-------|--|
| 9     | Virtual reality game software, virtual reality software for medical teaching, earphones for virtual reality games, virtual reality glasses, headsets for virtual reality for video games, headsets for virtual reality |
| 38    | Text-based messaging services to establish a virtual chatroom, providing a virtual private network<br>(VPN) service  |
| 41    | Providing an online virtual reality game on a computer network, virtual reality game room service, virtual physical training service   |
| 42    | Design and development of virtual reality software, design and development of virtual private network (VPN) operating software, providing virtual computer systems through cloud computing                             |

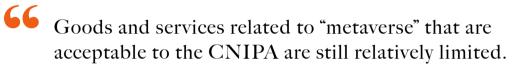
#### Key Word "Digital"

| Class | Acceptable Goods/Services in China   |
|-------|--|
| 9     | Digital signal processors, digital wallet (downloadable computer software), computer software for processing digital images, computer software for processing digital music files, digital voice signal processors |
| 35    | Digital advertising services, business consulting services on digital transformation   |
| 38    | Carrying the information transmission through digital networks, wireless digital messaging services, digital network communication services, transmission of digital files   |

| 39 | Physical storage of digital images stored electronically, physical storage of digital music stored electronically  |
|----|--|
| 42 | Hosting digital content on the Internet, cross-platform conversion of digital content forms, add digital watermarks, technical consulting services on digital transformation |

#### Key Word "Multimedia"

| Class | Acceptable Goods/Services in China  |
|-------|---|
| 9     | Interactive multimedia computer game programs, portable multimedia players, digital multimedia broadcasting television, multimedia projectors |
| 41    | Multimedia library services   |
| 42    | Design and development of multimedia products, multimedia application programming, multimedia device programming                              |



#### Key Word "Smart" or "Intelligence"

| Class | Acceptable Goods/Services in China   |
|-------|--|
| 9     | Smart glasses (data processing), humanoid robot with artificial intelligence for scientific research   |
| 42    | Research in the field of artificial intelligence (AI), technical consulting in the field of AI, AI technology consulting, research in the field of AI technology, data recovery of smart phone |

#### Key Word "Blockchain"

| Class | Acceptable Goods/Services in China                      |
|-------|---|
| 36    | Electronic funds transfer via blockchain technology     |
| 42    | User authentication service using blockchain technology |

#### Key Word "Encryption"

| Class | Acceptable Goods/Services in China                                    |
|-------|---|
| 9     | Computer software for encryption, security tokens (encryption device) |

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In the Chinese Classification of Similar Goods and Services, the goods and services related to "metaverse" are mainly concentrated in Classes 9, 35, 38, 39, 41, and 42, which is basically consistent with McDonald's and Nike's trademark applications (9, 35, 41, and 42).

#### **Tips for Brand Owners**

Goods and services related to "metaverse" that are acceptable to the CNIPA are still relatively limited. Brand owners should file new trademark applications to expand the protection of their core marks in the relevant classes to cover acceptable descriptions of goods and services closely related to the concept of the metaverse, mainly in Classes 9, 35, 38, 39, 41, and 42. It is also worthwhile trying those specific descriptions of goods and services related to the metaverse, probably with detailed explanations of them to help examiners identify such items accurately.

Although every effort has been made to verify the accuracy of this article, readers are urged to check independently on matters of specific concern or interest.

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