

Bodman PLC

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First-of-Its-Kind Lawsuit Pitting Claims of Artistic Expression Involving NFTs Against Trademark Rights Should Have All Mark Owners Considering New Trademark Applications

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Regardless of whether your business has any current plans to develop digital goods, including "non-fungible tokens" (NFTs), a recent verdict in a first-of-its-kind case involving trademark rights and digital assets should have all brand owners considering whether to secure new trademark registrations. Failing to take proactive steps today to protect brands for digital goods of the future can cost companies valuable opportunities and risks allowing others to profit from valuable marks.

The MetaBirkins Case

The recent verdict came in a [lawsuit](#) brought by luxury goods maker Hermès, known for its iconic Birkin handbags. The defendant was Mason Rothschild, an artist unaffiliated with Hermès who released and sold a series of NFTs called "MetaBirkins," which depicted the company's handbags covered in colorful, cartoonish fur instead of leather as they actually appear. Hermès sued Rothschild for trademark infringement, alleging that he was "stealing the goodwill in Hermès' famous intellectual property to create and sell his own line of products." After an eight-day trial, the jury agreed with Hermès and awarded it \$133,000 in damages. They found that the NFTs were commercial, digital products using Hermès' trademark without authorization, and were not merely "artistic expression."

Why This Case Matters to All Trademark Owners

When Hermès filed its suit, it was not selling NFTs but was exploring the possibility. The company had filed new applications for trademark protection of the BIRKIN mark, claiming many types of digital goods. The jury found that fact to be relevant, asking the judge for more information about the new applications filed by Hermès. Major consumer goods manufacturers, from Nike to Mattel to McDonald's, as well as famous athletes and celebrities, are entering the marketplace for digital goods, seeing opportunities to leverage their brands, connect with fans, add new revenue streams, and prevent trademark encroachment. The number of new NFT trademark applications filed with the U.S. Patent

and Trademark Office (USPTO) has gone from fewer than 20 in 2020 to over 7,000 today, many of them filed by Bodman trademark attorneys.

Filing New Applications for Federal Trademark Registration

Because U.S. law allows companies to file applications for trademark registration years before they launch their products, now is the time for trademark owners to consider whether this marketplace might be of interest today – even if products are not launched until 2026. Delay can enable third parties to get ahead in line at the PTO, and limit the ability of a brand owner to enter the world of digital goods. In addition, even a pending application can strengthen a company's position in the event of infringement.

Bodman has handled many trademark applications for digital goods and helped clients position their marks and brands for growth and monetization. Please contact one of our trademark attorneys to discuss reviewing and updating your trademark portfolio. Bodman cannot respond to your questions or receive information from you without first clearing potential conflicts with other clients. Thank you for your patience and understanding.

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