

Trade marks: Global classifications of virtual goods and services - part 1

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In the first of this two-part series, we'll look at the EU and Australian trade mark guidelines for virtual goods and services.



Image source: Dilok Klaisataporn – [123RF.com](#)

In the digital landscape, virtual goods and services, such as video games, music, virtual currencies, clothing, and avatars, also require intellectual property protection. Trade marks, which traditionally protect tangible goods and services, are being extended to include the digital realm, and internationally trade mark laws are evolving to reflect this trend.

The Nice Classification is an international classification of goods and services applied for the registration of marks. It is administered by the World Intellectual Property Organisation (WIPO) and is used by trade mark registries around the world. The Nice Classification is divided into 45 classes, each of which covers a specific category of goods or services.

The purpose of the Nice Classification is to ensure that trade marks are classified in a consistent and uniform manner across different jurisdictions. This makes it easier for Trade Mark Offices to process trade mark applications and for businesses to search for trade marks that are relevant to their goods or services.

To classify virtual goods and services for trade mark purposes, an innovative approach is needed. Various national Trade Mark Offices have issued guidelines to accommodate these digital assets, and the Nice Classification now includes categories for virtual goods and services.

European Union Intellectual Property Office (EUIPO)

The EUIPO issued [guidelines](#) in terms of which class 9 is the appropriate class for “virtual goods” because they are treated as digital content or images.

The terms “downloadable goods” and “virtual goods” lack clarity and precision, and must be specified further, for example, “downloadable goods, namely, downloadable multimedia files” or “virtual goods, namely virtual clothing” in class 9 or “retail of virtual clothing” in class 35.

Services that relate to virtual or downloadable goods, as well as services provided online or in virtual environments, will be classified in line with the established trade mark principles of classification, looking at the underlying nature of the service and considering its impact in the real world.



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For example, transport services in class 39 involve moving goods or a person from one physical location to another. A service that conveys an avatar from one location to another in a virtual reality game may emulate transport services but, in the real world, the purpose is entertainment, and it will be classified accordingly. Therefore, for example, “virtual transport services for gaming purposes” is classified in class 41.

The term “providing a virtual environment” is not sufficiently clear nor precise as it can relate to different areas of activities and classes. The term must be defined further, and examples of acceptable terms include the following: “providing a virtual chatroom” and “providing access to a virtual environment” in class 38 and “hosting of a virtual environment” and “maintenance of a virtual environment” in class 42.

Australian Intellectual Property Office

The Australian IP Office issued [guidelines](#) for the classification of virtual goods, along with the metaverse, non-fungible tokens (NFTs) and blockchain technologies. Virtual goods fall in class 9 as they are objects made of data that are used in online environments. Broad claims such as “virtual goods” and “downloadable goods” are not acceptable, and applicants are required to specify the exact nature of the virtual goods and must include the specification of the software, music, clothing, or image file. The following is an example of an acceptable clarification of virtual goods: “downloadable virtual clothing.”

Services relating to virtual goods will be classified depending on the nature of the service, for example: “online retail services for downloadable virtual clothing” in class 35; “entertainment services provided in virtual environments” in class 41 and “hosting virtual environments” in class 42.

To determine the trade mark class of interest, the Office assesses services offered in virtual environments depending on the impact of the service in the real world.

In most instances, when the purpose of the service and the real-world impact of the service are the same (whether

delivered virtually or in person), the virtual service will be classified with its real-world counterpart. For example, “banking” and “educational” services will fall in classes 36 and class 41, respectively, considering that the impact of these services is the same. The method of delivery does not alter the outcome. The preference is to use the term 'virtual environments' over 'metaverse'.

However, where the impact of the service in the virtual environment is different from the real world, the virtual service will fall into a different class. For example, a “virtual restaurant in an online environment providing virtual food” will be classified in class 41 as an entertainment service, rather than a class 43 restaurant service. Similarly, “virtual travel simulations” do not entail physical transportation, resulting in classification under class 41 entertainment service rather than class 39 transportation service.

In the second article of this series, we'll explore the UK and US guidelines, as well as the Nice Classification updates.

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