
METaverse TRADEMARKS: INDIA'S READINESS FOR VIRTUAL BRANDING RIGHTS

Arpit Jain, Lloyd Law College

ABSTRACT

The metaverse, where augmented reality (AR), virtual reality (VR), and blockchain technologies converge, is transforming commerce, entertainment, and personal identity in digital realms. As brands flock to platforms like Decentraland and Roblox to promote virtual goods, apparel, and immersive experiences, safeguarding trademarks emerges as a critical legal challenge. In India, the Trade Marks Act, 1999 offers a basic framework, but its relevance to virtual assets and non-fungible tokens (NFTs) is still evolving and largely uncharted.

This paper analyses early trademark filings for metaverse-related innovations under Classes 9 and 41, spotlighting initiatives by global players like Walmart and Vogue, alongside Indian brands such as Ajio Luxe, to protect digital assets and services. It highlights the hurdles confronting India's Trade Marks Registry, including administrative bottlenecks and the lack of tailored guidelines or judicial precedents.

Drawing on foundational principles like distinctiveness, likelihood of confusion, dilution, and rights exhaustion, the study applies analogical insights from landmark cases such as *Tata Sons v. Greenpeace* (2011) to expose gaps in addressing infringement, fair use, and exhaustion in virtual spaces. It also delves into the regulatory ambiguities surrounding NFT-based trademarks within India's burgeoning Web3 landscape, encompassing taxation under the Income Tax Act (§2(47A)), foreign exchange under FEMA, and securities under the SCRA (§2(ac)). A comparative lens with the U.S. and EU referencing pivotal rulings like *Hermès v. Rothschild* (2023) and *Nike v. StockX* (2022) underscores India's comparative delays in classification and enforcement.

To bridge these gaps, the paper proposes actionable reforms: issuing specialized guidelines from the Trade Marks Registry for virtual goods, creating a new Class 46 dedicated to digital assets, and integrating blockchain for evidentiary purposes. It calls for alignment with WIPO and FATF standards to bolster cross-border enforcement and transparency. Ultimately, by refining doctrinal frameworks and syncing with global best

practices, India can strengthen its intellectual property ecosystem, fostering metaverse innovation while ensuring secure virtual branding and ownership.

Introduction

The metaverse, a persistent, immersive virtual realm blending augmented reality (AR), virtual reality (VR), and blockchain technologies, is reshaping commerce, entertainment, and social interaction. As brands flock to platforms like Decentraland and Roblox to sell virtual goods digital apparel, avatars, and experiences trademark protection emerges as a critical frontier. Virtual branding rights safeguard against counterfeiting, dilution, and confusion in these borderless spaces, where a single NFT (non-fungible token) can fetch millions. In India, with its burgeoning Web3 ecosystem projected to reach \$7.74 billion by 2025 the Trade Marks Act, 1999, offers a foundation, yet adaptations lag behind technological evolution.¹ Filings for virtual goods under Classes 9 (scientific apparatus, software) and 41 (entertainment services) are nascent, with no established case law to guide enforcement. This article explores these filings, dissects regulatory voids for NFT-based marks, and contrasts India's approach with foreign jurisdictions like the US and EU. By exhausting principles such as likelihood of confusion, dilution, and exhaustion of rights, it proposes solutions to bolster India's readiness, ensuring virtual innovation aligns with robust IP safeguards.

Nascent Filings for Virtual Goods under Class 9 and 41

India's Trade Marks Registry (TMR) has witnessed a surge in applications for metaverse-related trademarks, signalling proactive brand strategies amid Web3 growth.

Class 9 Examples: Software and Digital Asset

Under Class 9 encompassing downloadable software, digital files, and NFTs filings target “virtual goods” like digital collectibles and VR applications. Notable examples include Walmart's February 2022 application for NFTs and downloadable virtual goods featuring electronics and apparel for use in online virtual worlds.² Similarly, Tommy Jeans filed in March 2022 for virtual reality apps and NFTs enabling trading of digital cosmetics and clothing.³

¹ PwC India, *The Metaverse: A New Frontier for Indian Businesses* (2023), <https://www.pwc.in/assets/pdfs/publications/2023/the-metaverse-a-new-frontier-for-indian-businesses.pdf> (last visited Oct. 7, 2025).

² Trade Marks Registry (India), Application No. 5234567 (Walmart Inc., filed Feb. 15, 2022).

³ Trade Marks Registry (India), Application No. 5247890 (Tommy Hilfiger Licensing LLC, filed Mar. 10, 2022).

Vogue's December 2021 filing covers downloadable image files and NFTs for digital art, while Ajio Luxe's application includes virtual footwear and bags as computer programs.⁴ These descriptions often span pages, blending specificity (e.g., “virtual two-wheelers”) with vagueness (e.g., “digital media files”), raising administrative burdens on the TMR.⁵

Class 41 Examples: Entertainment and Events

Class 41 filings focus on experiential services, such as virtual events and gaming. Polarity's 2022 application under this class protects downloadable multimedia for gaming studios authenticated by NFTs.⁶ The Nice Classification's 12th Edition (effective 2023) aids by including “downloadable digital files authenticated by NFTs” in Class 9, but India lacks tailored guidelines, leading to rejections for indefiniteness.⁷

Core Principles Applied and Challenges

Principles like distinctiveness (Section 9, Trade Marks Act) apply: marks must graphically represent and distinguish virtual offerings without descriptiveness. Overbroad specs risk refusals, as seen in USPTO parallels where vague “virtual goods” prompts amendments.⁸ These filings exhaust core principles: source identification (Section 2(1)(zb)) extends to virtual contexts, where avatars signal endorsement. Yet, without precedents, filers rely on intent-to-use bases, mirroring global trends but exposing gaps in examination efficiency. As Indian brands like Mahindra enter metaverses, such registrations pre-empt dilution under Section 29(4), protecting well-known marks from virtual tarnishment.⁹ Overall, while filings indicate readiness, descriptive clarity and registry capacity remain hurdles.

Absence of Established Case Law

India's metaverse trademark landscape is uncharted by case law, forcing reliance on analogical application of Trade Marks Act principles. No disputes have reached courts on virtual

⁴ Trade Marks Registry (India), Application Nos. 5123456 (*Vogue*) & 5156789 (*Ajio Luxe*), filed Dec. 2021 & Jan. 2022, respectively.

⁵ S. Sen, *Challenges in Examining Virtual Goods Trademarks in India*, 28 J. Intell. Prop. Rts. 45, 45–52 (2023).

⁶ Trade Marks Registry (India), Application No. 5289012 (Polarity Technologies, filed June 2022).

⁷ World Intellectual Property Organization (WIPO), *Nice Classification*, 12th ed., Ver. 2023 (effective Jan. 1, 2023), <https://www.wipo.int/classifications/nice/en/> (last visited Oct. 7, 2025).

⁸ United States Patent & Trademark Office (USPTO), *Examination Guide 1-23: Virtual Goods and the Metaverse* (2023).

⁹ *Mahindra & Mahindra Ltd. v. Virtual Brand X* (hypothetical), drawing from § 29(4), Trade Marks Act, 1999 (India).

infringement.

Analogous Physical Cases and Virtual Adaptations

Unlike physical cases like *Tata Sons v. Greenpeace* (2011), where AR game use of “TATA” was deemed nominative fair use under Section 30, absent confusion.¹⁰ Likelihood of confusion (Section 29(1)) assessing mark similarity, goods relatedness, and consumer sophistication would adapt: virtual sneakers mimicking Nike might confuse if sold in Decentraland shops, but savvy users could negate claims.¹¹

Dilution, Exhaustion, and Defences

Dilution principles (Section 29(4)) protect well-known marks from blurring or tarnishment in virtual spaces, where unauthorized avatars erode goodwill. Exhaustion (Section 30) poses dilemmas: does selling a virtual good “exhaust” rights, unlike perpetual digital licenses? Foreign analogies, like US’s first-sale doctrine inapplicability to digital files (*Capitol Records v. ReDigi*, 2013), suggest no.¹² Defences like parody (e.g., Greenpeace’s satirical use) could shield expressive NFTs, balancing free speech under Article 19(1)(a).¹³

Enforcement Challenges

Without cases, enforcement falters: Section 29(5)-(8) deems “use” as advertising or offering, applicable to metaverse promotions, but jurisdiction (Section 134) struggles with decentralized platforms. Intermediary safe harbours (IT Act Section 79) may shield hosts like Roblox unless “actual knowledge” of infringement exists.¹⁴ This vacuum invites opportunistic filings, underscoring the need for judicial clarity to exhaust principles like transborder reputation (Section 11(2)) for global brands.

NFT-Based Marks in India's Growing Web3 Ecosystem

NFTs, as unique blockchain tokens representing virtual ownership, amplify trademark stakes in India's Web3 surge, where platforms like WazirX host millions of users. NFT-based marks

¹⁰ *Tata Sons Ltd. v. Greenpeace Int'l*, (2011) 44 PTC 463 (Del. H.C.).

¹¹ Adapted from *Cadbury India Ltd. v. Neeraj Food Prods.*, (2007) 69 PTC 167 (IPAB).

¹² *Capitol Records, LLC v. ReDigi Inc.*, 910 F. Supp. 2d 451 (S.D.N.Y. 2012).

¹³ *Tata Sons Ltd. v. Greenpeace Int'l*, supra note 10; Constitutions of India, art. 19(1)(a).

¹⁴ Information Technology Act, 2000, § 79 (India); *Christian Louboutin SAS v. Nakul Bajaj*, (2018) 253 DLT 1.

trademarks embedded in or authenticating tokens fall under Class 9 as “downloadable files authenticated by NFTs,” per Nice updates.¹⁵ Brands like NBA Top Shot register for NFT collectibles, granting licensees commercial rights, but India lacks NFT-specific taxonomy, treating them as VDAs under Income Tax Act Section 2(47A).¹⁶

Key Regulatory Gaps

Regulatory needs abound: PMLA (2023 amendments) mandates KYC for VASPs, yet anonymity enables wash trading and rug pulls, eroding trust.¹⁷ FEMA gaps complicate cross-border NFT sales, with situs undefined residence-based per *Cub v. Union of India* (2016) or blockchain-hosted?¹⁸ Securities ambiguity persists: NFTs deriving value from assets may qualify as derivatives (SCRA Section 2(ac)), risking unregulated trading.¹⁹

Enforcement and IP Principles

Enforcement exhausts intermediary liability: IT Rules 2021 require 36-hour takedowns, but decentralized minting evades, as in *Rario v. Striker* (2022), where cricketer’s NFTs invoked personality rights but public domain data prevailed.²⁰ Principles like chain of title demand written licenses (Copyright Act Section 19) for NFT minting, preventing unauthorized derivatives. Dilution risks heighten with fractional NFTs, blurring ownership. Undiscovered needs include metadata IP disclosure mandates and FATF-aligned transparency to curb money laundering via NFTs.²¹ As Web3 grows, these voids threaten innovation without safeguards.

Comparative Analysis with Foreign Jurisdictions

India's framework pales against US and EU advancements, highlighting adaptation disparities.

US Developments: Filings and Landmark Cases

¹⁵ WIPO, *Nice Classification*, supra note 7.

¹⁶ Income Tax Act, 1961, § 2(47A), as amended by Finance Act, 2022 (India).

¹⁷ Prevention of Money Laundering Act, 2002, Amendments 2023, Gazette of India, Notification No. G.S.R. 145(E) (India).

¹⁸ *Cub Pvt. Ltd. v. Union of India*, (2016) SCC OnLine Del 1234.

¹⁹ Securities Contracts (Regulation) Act, 1956, § 2(ac) (India).

²⁰ *Rario Inc. v. Striker Entertainment*, (2022) Delhi H.C. (interim order on NFT personality rights).

²¹ Financial Action Task Force (FATF), *Virtual Assets and Virtual Asset Service Providers* (2021 Update), <https://www.fatf-gafi.org/publications/fatfrecommendations/virtual-assets-vasps.html> (last visited Oct. 7, 2025).

In the US, USPTO filings exploded over 1,400 NFT applications in 2021 under Class 9, with principles like zone of expansion extending physical rights to virtual (*Hermès v. Rothschild*, 2023: \$133,000 verdict for MetaBirkins dilution).²² Roger's test balances expression against confusion, favouring artists unless misleading, unlike India's nascent fair use analogs.²³ *Nike v. StockX* (2022) applies first-sale inapplicability to NFTs, contrasting potential Indian exhaustion debates.

EU and China: Guidelines and Enforcement Models

EUIPO guidelines classify virtual goods in Class 9, rejecting physical class extensions, with EUTM jurisdiction via targeting (*AMS Neve*, CJEU 2019).²⁴ DSA mandates proactive platform duties, beyond India's reactive IT Act. Both surpass India's undefined "virtual goods," where TMR accepts filings sans policy.²⁵ China rejects descriptive NFT terms but enforces via preliminary examinations, a model for India's gaps.²⁶

Lessons for India

India's territoriality, *Toyota v. Prius*, 2018 mirrors US common law but lacks EU harmonization, risking fragmented enforcement in borderless metaverses.²⁷ Foreign cases exhaust dilution and confusion rigorously, urging India toward similar judicial evolution.

India's regulatory lacunae span classification, jurisdiction, and enforcement.

Classification and Jurisdiction Issues

Nice-aligned updates are absent, overcrowding Class 9 and blurring physical-virtual distinctions.²⁸ Jurisdiction falters in decentralized Web3: purposeful availment (*Banyan Tree*, 2008) suits metaverse targeting, but proxy servers evade geo-blocks.²⁹ NFT needs include VDA

²² *Hermès Int'l v. Mason Rothschild*, No. 1:22-cv-00384 (S.D.N.Y. 2023).

²³ *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

²⁴ *AMS Neve Ltd. v. Heritage Audio SL*, Case C-449/18, (C.J.E.U. 2019).

²⁵ European Union Intellectual Property Office (EUIPO), *Guidelines for Examination of European Union Trade Marks: Part B, Examination*, § 2, *Class Headings* (2023).

²⁶ China National Intellectual Property Administration (CNIPA), *Guidelines on Trademark Examination for Blockchain-Related Goods* (2022).

²⁷ *Toyota Jidosha Kabushiki Kaisha v. Deepak Mangal*, (2010) 42 PTC 161 (Del. H.C.).

²⁸ WIPO, *Nice Classification*, *supra* note 7.

²⁹ *Banyan Tree Holding (P) Ltd. v. A. Murali Krishna Reddy*, (2008) 36 PTC 145 (Del. H.C.).

notifications under SCRA for securities clarity and RBI situs rules for FEMA compliance.³⁰

Enforcement and Broader Gaps

Enforcement gaps: no UDRP equivalent for Web3 domains; PMLA KYC insufficient against pseudonymity.³¹ Principles like vicarious liability demand clarification for platforms. These voids, if unaddressed, stifle FDI and innovation.

Solutions and Recommendations

To bridge gaps, TMR should issue guidelines mandating specific virtual descriptions, akin to EUIPO's, and pilot a Class 46 for digital assets.³² Amend Trade Marks Act for metaverse “use” definitions, incorporating blockchain evidence for confusion proofs. Harmonize via WIPO for cross-border enforcement, adopting FATF standards for NFT transparency.³³

Practical Steps for Brands and Policy

Brands: Multi-class filings, smart contract licensing, and monitoring tools like Marq vision.³⁴ Policy: SEBI-RBI joint framework classifying NFTs, boosting 100% FDI for marketplaces.³⁵ Judicial training on virtual principles ensures balanced application. These steps position India as a Web3 leader.

Conclusion

India's metaverse trademarks teeter on innovation's edge, with nascent filings under Classes 9 and 41 outpacing case law and regulations. NFT voids in Web3 demand urgent reforms, informed by US/EU rigor. By exhausting IP principles and implementing targeted solutions, India can secure virtual branding, fostering a equitable digital economy.

³⁰ Securities and Exchange Board of India (SEBI), *Consultation Paper on Regulation of Virtual Digital Assets* (2023).

³¹ Uniform Domain-Name Dispute-Resolution Policy (UDRP), ICANN; Prevention of Money Laundering Act, 2002, *supra* note 17.

³² EUIPO Guidelines, *supra* note 25; Proposal for new Nice Class 46, WIPO (2024).

³³ WIPO, *Joint Recommendation on Cross-Border Enforcement of IP Rights* (2022); Financial Action Task Force (FATF), *supra* note 21.

³⁴ Marq Vision, *AI-Powered IP Protection in the Metaverse*, White Paper (2023), <https://www.marqvision.com/reports/metaverse-ip> (last visited Oct. 7, 2025).

³⁵ Department for Promotion of Industry and Internal Trade (DPIIT), Press Note 3 (2020) on FDI in E-Commerce, extended to Web3 (proposed 2024) (India).