



As presented to INTA Board November 15, 2022

#### INTA NFT White Paper. WIPO CWS/10 Update

#### **NFT White Paper Leadership Team**

#### **Blockchain Subcommittee**



Chair Tom Barrett EnCirca



NFT Co-Lead Moish Peltz Falcon, Rappaport & Berkman



NFT Co-Lead Michael Geller DLA Piper



#### 2022 ANNUAL MEETING LIVE+

# **A True Team Effort**





#### **Participating Committees**

Committee	
	Anti-counterfeiting
	Brands & Innovation Committee
	Commercialization of Brands Committee
	Copyright Committee
	Designs Committee
	Enforcement Committee
	Famous and Well-Known Marks Committee
	Harmonization Committee
	In-House Counsel Committee
	Internet Committee
	Legislation and Regulation
	Non-traditional Marks
	Trademark Offices Practices
	Unfair Competition Committee

International Trademark Association

### **NFT Participants**

Name	Committee	Name	Committee
Andy Abrams	Blockchain	Michael Geller	Blockchain
Ankit Sahni	Blockchain	Michelle Zimmerman	Blockchain
Dennis Prahl	Blockchain	Moish Peltz	Blockchain
Eduardo Zamora	Blockchain	Motasem Abu-Ghazaleh	Blockchain
Giulia Maienza	Blockchain	Piers Strickland	Blockchain
Helma van de Langenberg	Blockchain	Ploynapa Julagasigorn	Blockchain
Jessica Ward	Blockchain	Richard Ashley	Blockchain
Joseph Mauch	Blockchain	Robert Leighton	Blockchain
Mary Hallerman	Blockchain	Saloni Bhatia	Blockchain



### **NFT Participants**

	C		C	Name	C	Blows	C
Name	Committee	Name	Committee	Name	Committee	Name	Committee
Claudette Vernot	Anti-counterfeiting	Simone Villaça Aguiar	Brands and Innovations	Tracy Durkin	Design	Renée Nugent	Enforcement
Olivera Medenica	Anti-counterfeiting		Brands and Innovations	Yoonkyung Cho	Design	Stefania Bergia	Enforcement
Tamara Winegust	Anti-counterfeiting	Marci Ballard	Copyright	Anupriya Shyam	Enforcement	Vaibhav Vutts	Enforcement
Boriana Guimberteau	Brands and Innovations	Matt Julyan	Copyright	C.A. Brijesh	Enforcement	Wen Ya	Enforcement
Bruno Nunes	Brands and Innovations	Alexandra Parr	Design	Fanta Punch	Enforcement	Yan Zhang	Enforcement
Cris Chillemi	Brands and Innovations	Curtis Krechevsky	Design	Gülay Göksu Anul	Enforcement	Katie Laatsch Fink	Non-traditional Marks
Joel Schmit <i>,</i> Cowan	Brands and Innovations	Iván Sempere Massa	Design	Hazel McDwyer	Enforcement	Kerstin Gründig- Schnelle	Trademark Offices Practices
Lorenzo Litta	Brands and Innovations	lvy Estoesta	Design	Juan Porta	Enforcement	lan Raisbeck	Unfair Competition
Michelle Gorton	Brands and Innovations	Kate Saba	Design	Konstantinos Logaras	Enforcement	Jennifer McKenzie	Unfair Competition
Richard Milchior	Brands and Innovations	Linnea Harnesk	Design	Mamta Jha	Enforcement	Rachel Hofstatter	Unfair Competition



International Trademark Association

## **NFT White Paper**

- Situation fluid and rapidly evolving
- High-level Statement of IP Rights
- Specific Recommendations & Audiences
  - INTA members
  - WIPO and Trademark Offices
  - Blockchain Community
  - Regulators



#### **NFT Recommendations**

- Trademark Filings and Best Practices
- Channels of Distribution
- Design and Trade Dress Rights in NFTs
- Ownership of NFTs
- Web3 Domain Names
- Infringement & Enforcement vs Fair Use
- IP Principles for Blockchain



#### **Trademark Filings and Best Practices**

- Filing in Class 9 for the digital token associated with an NFT and ensuring that the trademark appears on the face of the digital token and/or the access, download, or purchase screen associated with it.
- Filing in Class 35 is also recommended for individuals providing platforms and outlets to sell NFTs. Doing so can help protect the trademark for retail sales associated with NFTs.
- We recommend that countries consider a harmonized approach for classifying NFTs, potentially through providing new language through the Nice Classification system.



#### **Channels of Distribution**

- Monitoring and/or advocating for consistent takedown policies across the various NFT marketplaces
- Monitoring and/or advocating for regulation of using NFTs as collateral for loans
- Monitoring how countries handle the marketing of NFTs in the case of giveaways



#### **Design and Trade Dress Rights in NFTs**

- We recommend that the INTA Advocacy Council and its constituent committees, along with the INTA Board, should support, create, and facilitate dialog opportunities among governments, international organizations, and multi-national stakeholders, to discuss these issues and develop/offer possible solutions.
- The output of the dialog discussions may result in an INTA Board Resolution on each issue.



#### **Ownership of NFTs**

- Amendments may be required in nearly every jurisdiction's extant IP framework to facilitate the effective and sustainable commercialization of intellectual property rights through NFTs.
- Such legislative changes need to pave the path for the recognition of IP rights, their license, transfer or assignment, and adequate protection against infringement in the NFT ecosystem.
- We recommend that INTA develops a model legislation that can be adopted by countries to amend or adapt their existing frameworks to permit commercialization of rights through NFTs.



#### Web3 Domain Names

Web3 Dispute Policy

- In collaboration with WIPO, a global trademark dispute resolution policy, akin to the UDRP, should be adopted for the emerging digital ecosystems of NFTs and the Metaverse.
- Will eventually expand to other types of NFT's, such as virtual goods



#### **Infringement & Enforcement vs Fair Use**

- 1. NFT Quick Reference Guide
- 2. NFT Policy Advocacy
- 3. INTA Outreach



#### **1. NFT Quick Reference Guide**

Recommendation that INTA issue a quick reference guide on the INTA website for brand owners with some basic definitions and recommendations relating to NFTs, including:

- Prosecution guidance that brands should expand trademark protection over their top brands to cover virtual goods and services in Nice classes 9, 35, or 41 in order to be better positioned to control and monetize their trademarks, as well as to prevent potential exploitation in the metaverse.
- An INTA resource for brand owners that provides information and links to NFT platform takedown processes.
- An INTA database of relevant NFT-related case law summaries and update periodically.



#### 2. NFT Policy Advocacy

- Advocate that NFT platforms all maintain trademark, counterfeit, and copyright notice and takedown processes, and be required to respond promptly to any legitimate complaints as appropriate under the law.
- Consider supporting a policy position that both traditional trademark infringement and fair use principles carry over into the NFT realm.
- Consider supporting a policy position that confusion can be potentially dispelled through the use of prominent disclaimers in the context of NFTs linked to physical goods, given that the NFT is merely allowing owners to track ownership without having to possess the physical goods.



#### **3. INTA Outreach**

- Make a recommendation to WIPO to introduce either a class including virtual goods or to include virtual versions of all of the existing goods and services into the current relevant classes in the Nice Classification
- Reach out to key trademark offices to calibrate on their handling of applications for virtual goods, and their recommendations for how brand owners should be filing for such goods
- Publish Statement of Principles (See Annex)



### **IP Principles for Blockchain**

**1**. Intellectual Property (IP) is capable of existing and being exercised in emerging digital ecosystems. Therefore, IP should be respected in such ecosystems.

2. National and international laws and treaties for the recognition and enforcement of IP rights should apply in emerging digital ecosystems.

**3**. To the extent that IP may be protected by more than one type of IP right, enforcement of some or all applicable IP rights should be permissible in emerging digital ecosystems, at the discretion of the IP rights owner. (*See, e.g.,* INTA Board Resolution of 12 September 2017 on Copyright Protection for Trademarked Material.)

4. To the extent practicable, a harmonized cross-jurisdictional approach should be developed for the recognition and enforcement of each type of IP right in emerging digital ecosystems.



## **NFT Next Steps**

- Build consensus on IP Rights for Blockchain and Metaverse
- Develop 2023 Objectives
  - Coordination with other committees
  - Coordination with INTA staff to educational activities (webinars, round tables,etc.
  - Coordination with WIPO and Trademark Offices







# Thank You!

Tom Barrett – <u>tbarrett@encirca.com</u> Moish Peltz – <u>mpeltz@frblaw.com</u>

