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# EUIPO refuses to register Burberry pattern as trademark for metaverse-related goods and services for lack of distinctive character

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## > Facts

## > Decision

## > Comment

The European Union Intellectual Property Office (EUIPO) recently partially rejected Burberry's application to register its well-known check pattern for virtual clothing, accessories and several services. The reason for the rejection was, according to the EUIPO, the lack of distinctiveness of the design. The EUIPO held that, when assessing the distinctiveness of trademark applications for virtual goods, the same principles apply as for trademark applications for real-world goods.

### Facts

Burberry's signature design consists of a check pattern comprising a combination of horizontal and vertical lines in red, white and black against a beige background. Burberry sought to register the design as a figurative trademark for various virtual goods and services – in particular:

- non-fungible tokens (NFTs) or other digital tokens based on blockchain technology, (downloadable) virtual materials and goods, such as clothing and accessories (class nine);
- providing online retail services relating to fashion (class 35); and
- providing online non-downloadable digital collectibles and online video games (class 41).

Burberry classified the goods and services in accordance with the EUIPO Guidelines on the Classification of Virtual Goods and NFTs, published for the first time in July 2022.

According to the guidelines, virtual goods and NFTs are to be classified in class nine of the Nice Classification because they are to be treated as digital content or images. Since the standalone terms "virtual goods and/or NFTs" lack clarity and precision, the content to which the virtual goods relate must be indicated – for example, in the case of Burberry's application, "downloadable virtual goods, namely, clothing and accessories". Services relating to virtual goods and NFTs must be classified according to the established principles of classification of services – for example, retail services for virtual goods must be classified in class 35.

### Decision

The EUIPO objected to the application because, in its view, the trademark applied for was devoid of any distinctive character under the meaning of article 7(1)(b) of the EU Trademark Regulation for the goods and services claimed by the application.

The EUIPO stressed in its decision that the assessment of the distinctive character of a figurative mark consisting of a check pattern must be based on the same principles that are applicable to three-dimensional marks consisting of the shape of the goods. Three-dimensional trademarks consisting of the appearance of the product itself can only be protected if they contain a sign unrelated to their appearance.

Looking at the goods in question – namely, downloadable and virtual versions of real-life clothing and accessories – the EUIPO stated that the figurative mark was presented in the form of a pattern intended either to be placed on part of the goods or to cover the whole of their surface area. Therefore, the mark corresponded to the outer appearance of the goods and so the principles applicable to three-dimensional mark applied.

With regard to the consumer's perceptions of the sign, the EUIPO referred to the key aspect of virtual goods, which is to imitate core concepts of real-world goods. Thus, the consumer's perceptions for real-world goods were held to also be applicable to equivalent virtual goods.

Referring to various online shops offering real-world clothing pieces and accessories with a pattern similar to the Burberry design (eg, Mango, Anine Bing and Amazon), the EUIPO stated that the pattern depicted by the mark was obvious and typical for the claimed goods and did not differ essentially from other (basic) check patterns commonly found in trade for the objected goods and services. It thus found that the design lacked a distinctive character and therefore could not be registered as a trademark.

However, the EUIPO conceded that the mark had an implicitly distinctive character for video games – for example:

- "downloadable interactive characters, avatars and skins; video games and downloadable video game software in class 9"; and
- "providing online video games; providing online information in the field of computer games entertainment in class 41".

### Comment

The EUIPO's decision shows again that, in theory, the rules and principles applicable to trademarks in the virtual sphere – be it consumer perception or distinctiveness requirements – need not be reinvented; rather, they can be transferred from the real world to the virtual

world.

As far as the assessment of distinctiveness as such is concerned, the decision, which follows the rejections of similar applications by other brands in relation to their signature designs (most recently Louis Vuitton's application in relation to its famous "Damier Azur" pattern), demonstrates the very high standards set by the EUIPO in relation to designs.

Given the fact that the Burberry design is already registered as a figurative mark, the EUIPO seems to apply stricter requirements for the existence of distinctiveness when it comes to the protection of virtual goods than for real-words goods, despite its statement to the contrary.

It remains to be seen whether Burberry will appeal against the decision; the deadline for such appeal will expire around the beginning of April 2023.

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