

Newsletter No.

25

---

**Swiss IP News** We provide you with updates on new decisions, the relevant legislative process and other trends in the fields of intellectual property and unfair competition law from a Swiss perspective.

---

walderwyss attorneys at law



By Michael Lysakowski  
MLaw, Attorney at Law  
Associate  
Telephone +41 58 658 52 48  
michael.lysakowski@walderwyss.com



and Manuel Bigler  
MLaw, Attorney at Law  
Managing Associate  
Telephone +41 58 658 56 88  
manuel.bigler@walderwyss.com

## New Guidance by the IPI on the Classification of NFTs and Virtual Products

The IPI addresses virtual goods, NFTs, and services in the digital realm in its revised Trademark Guidelines. The new guidance entered into force on 1 January 2024 and offers comprehensive direction to trademark applicants wishing to secure Swiss trademarks for business ventures in the digital realm.

### Background

During the recent "crypto winter", trademark registrations for virtual goods and services as well as non-fungible tokens (NFTs) related products declined. However, as the market recovers, companies are showing renewed interest in venturing into the digital world and seeking to protect their brands in this evolving space.

At the same time, the Swiss Federal Institute of Intellectual Property (IPI) has introduced a new chapter in its Trademark Guidelines that focuses on virtual goods, NFTs and services in virtual environments. Effective as of 1 January 2024, the revised Trademark Guidelines provide clearer guidance on extending trademark protection to the digital realm.

### Virtual Goods

The IPI defines virtual goods as non-physical objects for use in virtual environments (such as the metaverse). Such goods consist of digital content. Therefore, the IPI requires that such goods be classified in Class 9, akin to other downloadable digital goods, rather than in the classes of their physical counterparts. To distinguish them as goods rather than services, they must be specified as "downloadable". In addition, the virtual goods claimed need to be precise-

ly defined. Accordingly, goods such as *downloadable virtual clothing* or *downloadable virtual toys* are accepted in Class 9. In contrast, *virtual goods* or *downloadable virtual goods in the field of sports* would be refused as too vague.

Furthermore, the IPI considers geographical indications impermissible for virtual goods. The geographical indication needs to be replaced by a generic name. For example, *downloadable virtual champagne* would be refused, whereas *downloadable virtual sparkling wine* would be accepted in Class 9.

### Non-Fungible Tokens

The IPI defines an NFT as a unique digital certificate recorded on a blockchain, signifying ownership of an asset, such as a digital artwork, or serving as an authenticity certificate for a physical good. NFTs are not considered goods for the purposes of the Nice Classification. A trademark can therefore not be registered for NFTs as such. Rather, the term "NFT" needs to be further specified in each case.

When NFTs serve to authenticate goods, it is essential to specify the authenticated goods. For example, *downloadable virtual shoes authenticated by non-fungible tokens (NFTs)* are accepted in Class 9 or *clothing authenticated by non-fungible tokens (NFTs)* in Class 25.

For services involving NFTs, a distinction must be made. If the subject matter of a service is authenticated by an NFT, the service must be clarified and the (authenticated) subject matter can be named. For example, this could be done by claiming *provision of an online marketplace for buyers and sellers of downloadable digital image files authenticated by non-fungible tokens (NFTs)* in Class 35. Conversely, services that focus on NFTs themselves, such as *education in the field of non-fungible tokens (NFTs)* in Class 41, may use the terms "non-fungible token" or "NFT" without further clarification.

### Services in Virtual Environments

In general, the means of service delivery do not influence the classification of the respective service. In this case, services provided in a virtual environment are classified in the same class as the traditional service. For example, *financial advice* is classified in Class 36, regardless of whether the service is provided face-to-face, online, or virtually. Similarly, *online banking services rendered in virtual environments* are classified in Class 36 like any other *banking services*.

However, for some services, the means or environment of service delivery alter the service's purpose or result. For example, *transport services* in Class 39 involve moving goods or persons from one physical location to another. Likewise, *catering* in Class 43 involves feeding physical persons. A service that, in a virtual environment, conveys an avatar from one location to another or that provides food to be consumed by an avatar may emulate transport or catering services, but in the real world, the purpose is entertainment. The IPI requires that such simulation and purpose be specified for classification, for example as *simulated travel services in virtual environments for entertainment purposes* in Class 41.

### Comment

Brand owners are well advised to consider how to protect their trademarks in virtual environments. In this regard, the IPI's revised Trademark Guidelines provide welcome guidance, giving trademark applicants a clearer direction on the classification of virtual goods, services, and NFTs. Still, certain ambiguities remain, such as determining when a virtual good is "downloadable" or "non-downloadable" and the classification for the latter.

The revised Trademark Guidelines only address the proper classification in Switzerland. However, a significant number of issues related to virtual goods, services, and NFTs remains to be resolved, such as whether virtual goods and their real-world counterparts are considered similar for the purpose of assessing a likelihood of confusion between conflicting trademarks.

The Walder Wyss Newsletter provides comments on new developments and significant issues of Swiss law. These comments are not intended to provide legal advice. Before taking action or relying on the comments and the information given, addressees of this Newsletter should seek specific advice on the matters which concern them.

© Walder Wyss Ltd., Zurich, 2024