

Old Lady Shows Her Youth with Win in Significant Trade Mark Ruling Concerning NFTS

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Juventus FC (affectionately nicknamed the “Old Lady”) has won a noteworthy ruling in its case of trade mark infringement brought against the non-fungible token (“**NFT**”) producer Blockeras s.r.l (“**Blockeras**”). The Rome Court of First Instance, on 20 July 2022, ruled that the unauthorised minting, advertising and sale of NFTs¹ can infringe the trade mark rights of the relevant owner.

Juventus FC sought a preliminary injunction from the court to prevent Blockeras from selling NFTs that made use of Juventus’ trade marks. The marks included the “Juventus” and “Juve” word marks as well as the design of the football club’s famous black and white jersey.² Juventus filed proceedings against Blockeras accusing them of infringing the club’s registered marks in relation to the Blockeras NFTs which were linked to trading cards featuring former Juventus striker Christian “Bobo” Vieri.

The case is a significant ruling in relation to trade mark rights and NFTs. It is the first known judgment by a European court to determine that NFTs which reproduce a third party’s trade marks without authorization from the rights owner, amount to trade mark infringement and may warrant an injunction.

Juventus’ Opposition

Blockeras is an Italian company, founded in 2018, specialising in blockchain technology. In 2021 Blockeras produced, minted and sold 68 NFT trading cards which featured Christian Vieri. In order to produce the NFTs Blockeras obtained consent from Vieri and entered into a commercial agreement with him but it failed to obtain any consent from Juventus. Given the Blockeras trading cards prominently featured the black and white Juventus kit and referenced the team’s name, Juventus brought a claim for a preliminary injunction against Blockeras to cease the production, marketing and sale of the Vieri NFTs.

The Rome court noted that the trade marks relied on by Juventus are renowned marks and the club is one of the most celebrated across Europe, having won several Italian league titles and Champions League titles, and would therefore be widely recognised by consumers. The court also noted that Juventus is involved in various merchandising activities (accessories, games and clothing) that are

sold offline and online across Italy and Europe, which evidenced clear use of the marks. In terms of likelihood of confusion the court found that Blockeras' use of the Juventus marks in the Vieri NFTs is likely to cause consumers to be confused as to the commercial origin of the NFTs and to mistakenly associate them with Juventus FC.

Blockeras' primary counter argument was that the injunction should not be granted because the trade marks at issue were not registered for use on "downloadable virtual goods". The court rejected this argument on the grounds that:

(i) the club's marks are widely recognised, given "the club is the most successful in Italian football", regardless of designation so it is not necessary to consider their use on digital objects; and

(ii) even if Blockeras' counter argument held, Juventus maintains registrations for its marks in Class 9 of the Nice classification of good and services for use in connection with "digital downloadable publications", which the court determined would suffice for use as NFTs.

The court also highlighted that Juventus has an agreement with global fantasy football game platform Sorare³ and has therefore already proved that it is active in the field of:

"online games that are based on blockchain technologies and on the use of crypto currencies and/or NFTs".

The court noted further that Juventus' extensive merchandising activities extended to the club's presence on the main social networks, which showed that Juventus was using its marks in the digital world.

Implications of the Ruling

Whilst the interpretation of the Court concerning Juventus' digital market presence is fairly extensive it does follow the wider European approach that registrations in Class 9 for well-known trade marks are not usually required in order to obtain protection against infringing NFTs. Furthermore, while a number of brands are urgently trying to record their marks with registrations that will designate protection in digital classes the ruling of the Rome Court highlights that this approach is not entirely necessary. Often brands will be able to rely on trade mark registrations they are already widely using in the non-digital space to protect their brand from infringing NFTs.

The injunction Juventus was granted was also wide ranging. Blockeras was prohibited from engaging in any further production, marketing or sale of the NFTs as well as the digital contents associated with the NFTs. Digital images are commonly associated with NFTs and used as part of the marketing for their sale, the Rome Court's ruling prohibited the use of these images and provided Juventus with wide scope for protection.

Key Takeaways

The landmark ruling is significant for brands and likely marks a growing trend for European courts as they are increasingly likely to face more precedent setting rulings in relation to trade mark infringement arising from NFTs and other products produced from blockchain technologies. Some

key learning points for brands include the following:

- Prior to the production of any NFTs legal counsel should be sought particularly where that are designed with a particular athlete, sport, club, brand or celebrity in mind. This means adequate checks can be undertaken to determine relevant prior common use. Blockeras failed to adequately obtain a licence to use the prior trade mark rights held by Juventus and this meant they could no longer sell the Vieri NFTs (despite having Vieri's consent).
- Brands should be aware that existing trade mark protection in the non-digital space may be sufficient to grant protection in the digital space provided the brand can show sufficient examples of actual use of the marks.
- Courts are only going to face more NFT trade mark infringement cases in the future and brands should be alert to potential infringements particularly with the understanding that courts are beginning to more readily provide clear protection to brands where NFTs infringe a mark.

FOOTNOTES

¹ NFTs are digital tokens produced via blockchain technology. They can be bought and sold using cryptocurrency and represent certificates of ownership for virtual or physical assets, the value in an NFT resides in its unique design.

² <https://euipo.europa.eu/eSearch/#details/owners/177144>

³ <https://sorare.com>

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