



Mesmer & Deleault, PLLC
41 Brook Street, Manchester, NH 03104
Seacoast Office: One New Hampshire Ave., Suite 125
Portsmouth, NH 03801



“Tip of the Month”

Virtual Worlds and Trademark Infringement – Should You Be Concerned?

Virtual worlds are three dimensional environments created by software that provides a new universe in which users are able to create and market their own “in-world” content. Three-dimensional virtual worlds such as Second Life® are already being used for both business and pleasure. As in the real world, trademarks can exist in a virtual world. No matter in which world a trademark exists, each trademark serves the same ultimate purpose. It acts as a source identifier, an indication of goodwill associated with the provider of the goods or services.

Trademarks can originate in either the real world or the virtual world. In fact, many new companies have been formed in the virtual world to sell their wares solely in the virtual world. Real world trademarks such as Coke® or McDonald’s® can also serve as source indicators for “virtual” goods. More and more, real world trademark owners are marketing their goods and services in the virtual world. For example, Gibson Guitar has its own private island where avatars (the online depictions of Second Life® residents) can learn about Gibson and its famous brands of guitars.

Regardless of whether the trademark is used only in the virtual world or in both the virtual and real worlds, owners of trademarks need to protect their brands, preferably by obtaining a federal trademark registration. In addition, trademark owners of real world trademarks need to watch out for the infringing use of the same or similar trademark in the virtual world. The concern is real because under trademark law, those who do not enforce their rights can lose them. “If you snooze, you lose.” A trademark owner has a duty to police its trademark. When a senior user delays in enforcing its rights, a junior user may acquire a valid trademark in a related field, enforceable against even the senior user.

For example, say a virtual world user “H&R Locke” offers tax services in the virtual world that are the same as those services that H&R Block® offers in the real world. Further, the virtual “H&R Locke” uses a trademark similar to the real world trademark of H&R Block®. If the infringing use goes on without challenge by the real world trademark owner, the virtual world infringing user may acquire a valid trademark in the virtual world. This might be enforceable even against the real world trademark owner. If, say, H&R Block® later decided to offer tax services under its trademark in the virtual world, “H&R Locke” could argue “we were here first, so H&R Block® get lost.”

In summary, real world trademark owners must police their marks in virtual worlds or face erosion of their rights. If you are interested in hearing more about trademarks in the virtual world, please give us a call at 668-1971, or contact us by email at mailbox@biz-patlaw.com.

Happy Holidays!

Frank B. Mesmer, Jr., Esq.
Robert R. Deleault, Esq.
Phillip E. Decker, Esq.

1209

(603) 668-1971

Fax (603) 622-1445

E-mail: mailbox@biz-patlaw.com

Website: www.biz-patlaw.com

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