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Do you really intend to offer NFTs, digital collectibles, and virtual goods? If not, no trademark.

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The NFT explosion has led to a “gold rush” of thousands of new U.S. trademark applications covering NFT-based digital files, digital collectibles, and the like.

There are offensive and defensive motivations for brand owners to join in the NFT trademark frenzy. Offensively, they may see NFTs as a legitimate business opportunity for which they have concrete plans to capitalize. Defensively, brand owners may be concerned about preventing unscrupulous third parties from using or registering brands without authorization. But are the owners of those trademark applications actually using the marks for those items, or have a *bona fide* intent to do so? If not, the trademark filings may not be worth the paper they’re written on.

At the time of filing a U.S. trademark application, you must either: (a) already be using the mark in U.S. commerce for the listed goods and services, or (b) possess a *bona fide* intent to use the mark for such products or services. Absent use or intent to use, the application is void. 15 U.S.C. § 1051; *Swiss Grill Ltd. v. Wolf Steel Ltd.*, 115 USPQ2d 2001, 2008-09 (TTAB 2015) (application void for lack of *bona fide* intent to use).

Third parties can challenge trademark applications or registrations for lack of use or lack of *bona fide* intent. In such challenges, the Trademark Trial and Appeal Board will look for objective evidence of use, or a firm and demonstrable intent to use the mark for the covered products or services. Some TTAB cases have required *documentary* evidence of plans to use the mark (*i.e.*, a big idea in one’s head may not count). *See*, *e.g.*, *Swiss Grill Ltd.*, 115 USPQ2d at 2008-09. Certainly, a purely “defensive” trademark application—with no use or intent to use, but rather only the intent to block third parties from registering the mark—is insufficient under U.S. law. Likewise, a purely opportunistic trademark application to “plant a flag” in case the applicant may someday decide to offer the listed products or services—absent *bona fide* intent to use—is insufficient.

Given the intense “gold rush” of NFT trademark filings and the unique challenges of actually entering the NFT ecosystem, it seems likely that use and intent-to-use challenges will follow. At the time of writing, we did not locate any reported TTAB decisions addressing lack of use or intent to use for trademark applications covering NFT products and services. But that is likely to change—and soon.

For more content on NFTs, check out this recent article on NFTs and the Enduring Allure of Digital

Collectibles.

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